

INTERNATIONAL

INTERNATIONAL

# Herald Tribune

Published with The New York Times and The Washington Post

THE WEATHER — PARIS: Saturday, sunny, Temp. 20-18 (64-64); Sunday, sunny, Temp. 19-14 (64-57). LONDON: Saturday, sunny, Temp. 19-14 (64-57); Sunday, sunny, Temp. 19-14 (64-57). NEW YORK: Saturday, sunny, Temp. 27-19 (80-67); Sunday, sunny, Temp. 27-19 (80-67).

ADDITIONAL WEATHER — COMICS PAGE

Established 1887

PARIS, SATURDAY-SUNDAY, JULY 29-30, 1973

No. 29,693

## Christina Onassis Will Marry Russian, Reside in Moscow

MOSCOW, July 28 (UPI) — Greek heiress Christina Onassis, one of the world's richest women, said today that she will marry a Soviet shipping expert 10 years her senior next Tuesday and will move into a tiny Moscow apartment with his mother until they can find a place of their own.

"I'm getting married Tuesday," she told UPI, ending weeks of speculation on their romance, which has smoldered for a year.

Miss Onassis said she and Sergei Kauzov, 37, a former executive for a Soviet shipping firm, will be married at one of Moscow's "wedding palaces" in a civil ceremony.

It will be the third marriage for Miss Onassis and the second for Mr. Kauzov.

Small Apartment

The couple will live with Mr. Kauzov's mother in a small Moscow apartment until they can buy their own cooperative apartment.

Some of the better and newer cooperatives in Moscow can cost about \$35,000 for four or five rooms with kitchen equipment.

Miss Onassis said she didn't think she would have any problem adjusting from a Western jet-set lifestyle to the duller Moscow version.

"I can live here," she said. "I'm very adaptable."

She said she also found she was not bothered on the street by the curious, as she would be in Paris or London.

Soviet Honeymoon

Miss Onassis reportedly told a French television correspondent, Gabriel Moretti, that she and Mr. Kauzov would spend their honeymoon in the Soviet Union but declined to say where. Soviet sources said the couple would go to Lake Baikal in Siberia.

Miss Onassis, 27, who inherited a \$500 million shipping and real-estate empire amassed by her father, the late Aristotle



Christina Onassis, in a 1975 photo.

Onassis met Mr. Kauzov while he was on assignment in Paris for the Soviet shipping firm, Sovfracht, last year. He left the company last month.

Mr. Kauzov, who has a daughter, recently divorced his wife and reportedly sent her to a Crimean resort to avoid any embarrassment during the wedding.

Mr. Kauzov, who lost one eye in a childhood accident, is shorter than Christina and has thinning hair. Friends described him as a sharp dresser.

The smiling couple have been seen shopping in the Moscow diplomatic hard-currency grocery several times since her arrival June 25.

Until today she had emphasized (Continued on Page 2, Col. 3)

## More Than \$200 an Ounce

# Gold Price a Record High As Dollar's Fall Continues

LONDON, July 28 (AP-DJ) — The price of gold reached a record high today, surpassing the \$200-an-ounce barrier for the first time, but the performance was due as much to concern about the plight of the dollar as demand for bullion itself.

The dollar closed at record lows against the yen and Swiss franc today. (Details on Page 9.)

In London, gold closed at \$201.38 an ounce. Earlier, at the official afternoon fixing, it was priced at a record \$201.30 an ounce. Yesterday, gold closed here at \$194.25 an ounce. The price has not been close to \$200 an ounce since December, 1974, just before laws prohibiting U.S. citizens from buying gold were repealed.

In later trading in New York, the price rose to \$202 an ounce before settling back to \$200.75.

over \$200 an ounce have been around for quite awhile, and today's advance isn't all that unexpected." He said the latest fall of the dollar had triggered the sharp advance.

Although the price of gold might be vulnerable to some profit-taking in the near-term, Mr. Morgan said that "the \$200 level looks sustainable, especially if you consider that gold was worth almost this much back in late 1974."

He said that the main factor favoring a higher gold price was that, commercially, gold supply and demand were nearly in balance. This means, he said, that the "speculative side" of the gold market is very

much in control of price movements "so you really cannot be too sure of where gold will go."

Some authorities said that they were beginning to hear speculation that now that the \$200 level had been breached, the next psychological ceiling would be \$300.

In their fiscal 1978 annual report released earlier this week, Anglo American Corp. of South Africa said that the "current industrial demand for gold can no longer be met out of Western world production and a substantial proportion of official and Russian sales are being used for industrial purposes."

"It is this situation which gives the gold market its inherent

strength and stability and results in a rising gold price when industrial demand is supplemented by investment and speculative demand," the report said.

The company, which handles approximately a fourth of the non-Communist world's gold production, said that without the "official" IMF and U.S. gold auctions "the market would be seriously short of physical gold."

The surge in the price of bullion also helped South African gold shares, which rose sharply in London. The Financial Times gold-mining index advanced 10.2 points to close at a high for this year of 183.4.



President Anwar Sadat of Egypt speaking at Alexandria University.

## Pattern of Interference May Be Emerging

# U.S. Protests Guard Actions in Moscow

MOSCOW, July 28 (UPI) — The United States has filed a series of sharp protests with the Soviet government over a pattern of increased Soviet police interference with American citizens attempting to enter the U.S. Embassy in Moscow.

High-ranking American sources said today that, in addition to the case of the July 20 attack by three Soviet police guards and agents on U.S. diplomat Raymond Smith, there have been two other incidents in which persons have been

blocked from entering the embassy — one on Thursday involving another U.S. diplomat, and the other on July 21, involving an American exchange professor.

The U.S. Embassy here and State Department officials in Washington have filed five strong protests with the Russians over what is viewed as an emerging pattern of heavy-handed Soviet interference with access to the embassy.

On Thursday a Soviet militia guard posted at one of the embassy

entrances blocked U.S. diplomat Harold Burman, member of a visiting team from the State Department's Foreign Buildings Office, from entering the embassy.

The sources said Mr. Burman had a Russian interpreter with him who immediately informed the Soviet guard that Burman was an American diplomat.

The guard pressed his hands against Mr. Burman's shoulders and physically prevented him from going inside — even after the interpreter and another U.S. diplomat informed him of Mr. Burman's identity.

The American sources said that after several minutes another Soviet guard came up and pushed his colleague out of Mr. Burman's path.

The sources also said that on July 21, the day after Mr. Smith, a consular officer, was physically attacked by Soviet guards on embassy territory, a visiting American exchange professor was refused entrance to the embassy.

Dr. Gabriel Kejoian, a professor of astrophysics at the University of Wisconsin who has been in the Soviet Union since January on a long-term Soviet-American exchange program, was refused entrance because he could not produce an American passport.

## Danes Restore

# Plane Built By Wrights

COPENHAGEN, July 28 (UPI) — A Danish automobile museum has found and restored one of the first of the Wright Brothers' airplanes and will put it on display Monday.

The plane was discovered in 1976 in a farmer's barn in France by Danish students. A representative of the Aalborg Automobile Museum visited the farmer, recognized the plane as one of the Wright Brothers' and bought it. The plane was dismantled and shipped to Denmark.

Four museum workers spent thousands of hours restoring the plane.

The officials said that the Wright Brothers built nine planes between 1903 and 1909, and they believe this plane was the third one, built in 1905.

## Callaghan Win

# Makes Election

## Less Probable

LONDON, July 28 (UPI) — Supported by Scottish and Welsh nationalists, Prime Minister James Callaghan's minority Labor government survived a vote today by his Liberal party allies yesterday and won parliamentary approval to place a 10-percent ceiling on investment dividends this year.

The 15-vote majority, 309-294, gave Mr. Callaghan two out of three wins in crucial House of Commons votes this week, and appeared to stave off the possibility of a general election in October.

Although none of the votes were on confidence issues, defeat on one of them would have forced Mr. Callaghan to face an election before his mandate runs out early next year.

Defeated Monday on a motion that would give dockers control of all cargo handling within a half mile of ports, Mr. Callaghan later in the week rallied enough backing to win approval of his government's latest anti-inflation package.

## Australia Bars

# Extradition of

## Hughes Ex-Aide

SYDNEY, July 28 (AP) — A Sydney court today turned down a U.S. request for the extradition of former Howard Hughes aide John Meier because he has diplomatic immunity as a financial adviser to the king of Tonga.

Mr. Meier, 44, was arrested outside a Sydney hotel yesterday on charges of evading prosecution in Salt Lake City, where he is accused of destruction of justice.

Mr. Meier produced a Tonga passport and said that he was on a diplomatic assignment for the king of the South Pacific island group, 2,000 miles northeast of Sydney.

Mr. Meier's attorney, Andrew Rogers, told the court that his client is economic and financial adviser to King Taufa'ahau Tupou IV of Tonga. His diplomatic passport had been recognized in other countries, the lawyer said.

## After Sadat Assails Begin Government

# Atherton Expects 'Difficulties' in Egypt

CAIRO, July 28 (UPI) — Alfred Atherton, the U.S. middleman in the Mideast, arrived here today from Israel to explore the chances of setting up a second round of peace negotiations, despite Egyptian declarations that the talks would be a "waste of time" unless Israel softened its position.

Mr. Atherton conceded to reporters that "many difficulties" lay ahead, but he said that he was in a better position to explain the Israeli viewpoint to Egyptian government leaders.

He was scheduled to go to Alexandria tomorrow for talks with President Anwar Sadat, but diplomats were not optimistic about breaking the deadlock.

Mr. Sadat yesterday launched his severest attack yet on Prime Minister Menachem Begin's government. He referred to the occupied Arab lands as "stolen goods."

In a speech, Mr. Sadat said that Mr. Begin's position was "rejected in form and substance," and he vowed that the Arabs would not surrender a single inch of occupied territory under any circumstances "and until doomsday."

## 'Useful Talks'

Upon his arrival, Mr. Atherton said: "We are looking for ways to continue the negotiating process, which I think is a mutual objective of all the parties, and to continue it through to a successful conclusion. I just had very detailed and useful talks with Prime Minister Begin and his colleagues in Israel, and I think I will be in a position to convey a better understanding of the Israeli position to the leaders of Egypt when I meet with them."

"Our own position is that we are continuing, despite the many difficulties that remain, to work for the objective of a comprehensive, just and lasting peace in the Middle East."

Egyptian officials have blamed the setback on Mr. Begin's refusal to restore El Arish and Mount Sinai to Egypt as a goodwill gesture and his insistence that "not a grain of sand" would be returned unless Israel got reciprocal concessions.

Egypt hit back by expelling from Cairo a nine-man Israeli military

mission, which had acted as a liaison for the last seven months.

Although Mr. Sadat emphasized that the peace initiative that began with his visit to Jerusalem in November was still alive, he did not take a position on the U.S. attempt to arrange further negotiations.

But 24 hours earlier, Foreign Minister Mohammed Ibrahim Kamel said that such talks would be a "waste of time" unless Mr. Begin discarded "outmoded concepts" — an allusion to his dream of a greater Israel, including the Jordan West Bank and Gaza Strip.

The last round of direct negotiations, July 18 and 19 near London, broke down after Israel rejected the

Egyptian demand that it withdraw from the West Bank and Gaza Strip and grant the right of self-determination to the Palestinians after a five-year transitional period.

U.S. Secretary of State Cyrus Vance said at the time that he was confident that the negotiations would be resumed next month, when he visits the Middle East.

Mr. Atherton is attempting to lay the groundwork for Mr. Vance's visit and probe the readiness of the two parties to participate in the negotiations.

Reports from Washington said that the talks would be held around Aug. 7 at a U.S.-manned early-warning station between Egyptian and Israeli lines in the Sinai desert.

## U.S., Canadian Citizens

# Urged to Leave Lebanon

BEIRUT, July 28 (AP) — The United States and Canada are advising their citizens to leave Lebanon, reducing their embassy staffs and sending home their diplomatic families because of the threat of more Syrian attacks on the Lebanese Christians.

The U.S. Embassy said there are no plans yet to order evacuation of the 1,500 to 2,000 Americans in the country. But it urged those without pressing business to get out.

In view of the fighting in Beirut, we have decided it would be prudent to reduce our embassy staff and send out dependents," said State Department spokesman Ken Brown in Washington.

"On such occasions, it's customary to inform the American community. . . . It was our feeling that it was a reasonable precaution to take in view of recent fighting. It is not a response to any particular development but to an accumulation of factors over the preceding months."

The Canadian government said that it was also reducing its embassy staff and told all Canadians to "leave the country as soon as possible unless they have urgent or essential business in Lebanon."

## 4 Major Outbreaks

There have been four major outbreaks of fighting between Syrian troops and rightist Christian militias in Beirut this year, and more are expected since the Christians still refuse to submit to Syrian control. Hundreds of Christian civilians have been killed.

The Americans in Lebanon include about 150 diplomatic personnel and their families plus journalists, teachers, students, businessmen and retired Lebanese-Americans.

[United Press International quoted a Phalangist Party radio report as saying that the nephew of Maj. Saad Haddad, controversial rightist army commander in south Lebanon, was kidnapped by unidentified gunmen here today.]

(Tony Haddad was reported abducted in the Msaibeh area of west Beirut, a mixed Christian and Muslim neighborhood.)

[The abduction came before the expected dispatch next week of the first regular army units to the south since the 1975-76 civil war, a move sparking controversy over what should become of Maj. Haddad who has sided with the Christian rightists.]

## Soares Agrees

# To Remain in

## Caretaker Role

LISBON, July 28 (AP) — Socialist leader Mario Soares said today that he would continue as Portugal's caretaker premier.

President Antonio Ramalho Eanes dismissed Mr. Soares yesterday after the 53-year-old socialist leader lost the support of the junior conservative partners in his coalition government.

Mr. Soares said after conferring with the president that he had agreed to stay on until his dismissal had been published in the official gazette. Earlier, he said he would refuse to stay.

Mr. Soares' agreement brings some relief to President Eanes, who faces a period of uncertainty as he begins searching for a new government. Portugal's ninth since the 1974 revolution. The president met today with party leaders, union and industry representatives to begin the search for a new premier.

Mr. Soares, meanwhile, met with his party's policymakers to establish a new strategy. Mr. Soares lost the support of his coalition's conservative members, who claimed that the government was delaying return of lands seized by peasants after the revolution.

## Ethiopia Claims Victory

# Over Rebels at Asmara

NAIROBI, July 28 (UPI) — Ethiopia said today that its troops smashed a rebel siege of its second-largest city, Asmara, in the latest of a series of reported victories that appear to have swung the tide of Africa's longest war toward the government.

Col. Mengistu Haile Mariam, the Ethiopian ruler, said yesterday that his soldiers were on the verge of victory in northern Eritrea province, although the 40,000 guerrillas "were intensifying their desperate efforts to prolong the 17-year-old conflict."

In the latest military communiqué, broadcast today by Addis Ababa radio, the government said that troops had reopened a major highway linking Asmara with Addis Ababa in the south. The action effectively broke for the first time the siege that 25,000 guerrillas clamped on the city and its 30,000-man government garrison last fall.

## Ethiopia Casualties Reported

Meanwhile, in Syria, the Damascus-based Eritrean news agency claimed that 3,000 Ethiopian soldiers have been killed in six weeks of heavy fighting with the rebels.

The enemy also lost a number of tanks and one armored troop carrier, the agency said, quoting an Eritrean military official. It said that the attacking Ethiopian forces had used warplanes to bomb and strafe Eritrean guerrillas.

Since the fall, Asmara's population has shrunk from 250,000 to 100,000, water and electricity have been shut off for long periods and schools, shops and businesses have been closed.

Several times guerrillas approached so close to the city that they were able to interrupt a Berlin-style airlift that was bringing in the only supplies, firing on planes as they attempted to land.

To break the siege, Radio Addis Ababa said, a fighting force swept out of Asmara southward, joining a second group of soldiers that was pushing north in Dhorawa.

The broadcast acknowledged that the highway had been "cut off from the hinterland for a long time as a result of the banditry of the indigenous secessionist groups." But it said that the army was "scoring victory after victory."

The government earlier this week claimed two other major victories that appeared to dramatically transform the military situation in

its favor for the first time in years.

In a three-pronged attack, it said, troops captured the important southern Eritrean towns of Tesseney and Mendefera, destroying the rebel grip on the area.

And in a separate battle, other government forces threw the guerrillas out of the leading port of Massawa after months of street-to-street fighting.

Eritrean spokesmen admitted only "minor" defeats since the government launched an all-out counter-attack more than six weeks ago to try to end the war and crush the secessionists.

## West Protests

# E. Berlin Jailing

WEST BERLIN, July 28 (Reuters) — The United States, Britain and France made representations today to the Soviet Union over the jailing of Nico Heubner, an East Berliner sentenced to five years for refusing military service.

A spokesman for the three Western allies said they had made it clear to the Soviet Union that they consider Berlin a demilitarized area under the terms of four-power agreements governing the status of the divided city.

President Carter criticized the sentencing of Mr. Heubner when he visited West Berlin on July 15. Mr. Heubner was jailed by an East Berlin court on July 7.

## Identities Not Revealed by U.K. Paper

# 3 More Women Expecting 'Tube' Babies

LONDON, July 28 (UPI) — The Daily Express today reported that three other women are expecting test-tube babies later this year.

U.S. theologians raise moral questions surrounding future test-tube births. Page 2.

Two of the women are expecting to deliver around Christmas and the other in early November, the newspaper said. It did not identify the women or divulge its source.

The Daily Express said an un-

identified countess, the wife of an earl, became pregnant after treatment at Oldham Hospital, where Lesley Brown gave birth to the world's first test-tube baby Tuesday night.

Dr. Patrick Steptoe removed an egg from Mrs. Brown, whose fallopian tubes were blocked, and fertilized it in his laboratory with sperm from her husband, John.

The Daily Express said test-tube babies are expected by a Scottish woman in November and the wife of a German count in December.

Meanwhile in Oldham, Mrs. Brown declined to see any more visitors at Oldham Hospital today

and began the breast-feeding of baby Louise.

Doctors reported that the baby had gained two ounces since birth and now weighed 5 pounds 14 ounces. A hospital statement today said:

"Mrs. Brown was up and about since the first day. She is progressing very well. All the excitement has tired her. She wishes to rest and will not be seeing visitors today. Baby Louise is doing very well. She started to breast feed. She has gained two ounces since birth and now weighs 5 pounds 14 ounces."

When Louise leaves the hospital, she will go to her parents' three-

bedroom home in Bristol. "There will be a real celebration here, I can tell you," said Lucy Hutchings, a neighbor.

"Nobody can talk of anything else," Gladys Bourne said. "We all feel it belongs to us," added Mary Wilkey, the Browns' next-door neighbor.

The baby's grandfather, Jack Brown, said he had prayed for a boy, "but I'm not disappointed as long as she is in good health."

Louise was born on her grandmother's 64th birthday. "I think science today is marvelous," the grandmother said. "It is going to widen everyone's outlook."



## At Nonaligned Ministers' Conference

## Cuba Defends Africa Ties, Soviet Role

By Louis B. Fleming  
 BELGRADE, July 28 — In a defense of its African policy, Cuba appealed to the nonaligned countries today not to confuse their enemies with their friends. And Foreign Minister Isidoro Malmierca made clear that Havana regarded Moscow as the friend, and the United States and China as the enemies.



Alger Hiss

## Alger Hiss, 74, Asks Reversal Of Conviction

NEW YORK, July 28 (Reuters) — Alger Hiss, the former State Department official convicted of perjury 28 years ago in a controversial trial, has filed a court suit asking that his conviction be overturned.

Hiss, 74, told the federal court here that information previously denied him and since obtained under the Freedom of Information Act showed that the prosecution withheld evidence that would have exonerated him.

His complaint also charged that the government misrepresented facts to the court and jury in the 1950 trial and used perjurious testimony.

Hiss, active in the founding of the United Nations, served in the State Department as a lawyer from 1933-1947. In the 1940s, he was accused of passing secret government papers during the 1930s to writer Whitaker Chambers, a self-admitted Communist Party courier.

## Play Adjourned In Fifth Game Of Chess Battle

BAGUIO CITY, Philippines, July 28 (UPI) — Challenger Viktor Korchnoi and world champion Anatoly Karpov ran out of time again tonight in the fifth game of their \$550,000 world championship match. Play will resume Sunday.

Chess experts watching the 11-hour game, which began yesterday, said that Mr. Korchnoi passed up an opportunity to win the game today, apparently because he was rushing to make a move within time limits.

Mr. Korchnoi's British second, Michael Stean, said that the clock, not Mr. Karpov, prevented the challenger from scoring an easy victory.

All four previous games in the championship series, which will last until one player wins six games, have been played to a draw. None has lasted as long as the fifth game, which recessed late tonight after 91 moves.

Although the adjourned fifth game will resume Sunday, the sixth game of the championship will begin tomorrow afternoon as originally scheduled.

## Fire at N.Y. Landmark

NEW YORK, July 28 (UPI) — A fire yesterday swept through the 179-year-old St. Marks-in-the-Bowery Church, extensively damaging the steeple, attic and roof of the landmark building in Greenwich Village.

## Attention Doctors (MD'S) Undergraduate Students

Prepare for  
 VQE • ECFMG  
 FLEX • MCAT  
 GMAT • GRE  
 U.S. Nat'l Med. & Dent. Boards  
 U.S. National Nursing Boards

Stanley H. Kaplan  
 Educational Services Ltd.

Located in  
 Lugano, Switzerland  
 Address: Via del Tiglio 14, 6900  
 Lugano, Switzerland  
 Phone: 091-51-2721

Valuable Best Sciences home study notes for all areas covered in the examination for NMB Part 1. Sample questions accompanied by Comprehensive Teaching Notes to be used at any of our Tapa Centers. Materials constantly updated.

Our broad range of programs, coupled with over 40 years of experience and success provides an unrivaled of testing know-how that enables us to offer the best preparation available.

Stanley H. Kaplan  
 Educational Center, Ltd.  
 535 Madison Ave., N.Y. 10022  
 212-632-1400

movement to boycott a nonaligned summit conference scheduled for September next year in Havana. Most delegates at the nonaligned foreign ministers' conference here appeared ready to support the agreement reached two years ago to hold the next summit in Cuba, even at the risk of a boycott by some of the chiefs of state.

Mr. Malmierca's arguments failed to satisfy Somalia, the former ally of the Soviet Union that has found itself in recent months battling Cuban-supported Ethiopian forces in border warfare.

"Cuba's role as the military arm of the Soviet Union in Africa obviously raises serious questions over its membership in a movement such as ours, dedicated to peace, unity and progress," Somali Foreign Minister Abdurrahman Jama Barre told the conference. He supported a suggestion by Egypt that the summit be delayed or moved to another site.

The ministers' conference is scheduled to adjourn tomorrow with adoption of political and economic declarations dealing with major issues of interest to the non-aligned countries. It is known that, like the general debate in open sessions, the drafting process behind closed doors has run into sharp divisions.

But despite their divisions, the delegates are expected to find consensus on a general reaffirmation of the goals of the nonaligned nations, that will keep the grouping alive while concealing some basic divisions. "There is a tradition in the organization to find compromise in the end, for no one wants to be considered the spoiler," a Yugoslav official commented.

Mr. Malmierca spent most of his 40-minute speech responding to the

controversies that have grown over Cuba's role in Africa and its ties to the Soviet Union. He was caustic in rejecting the Egyptian proposal for a change of the summit site.

Criticism of China  
 "There are those who have no compunction about going to Jerusalem, but who do not want to go to Havana," he said, in a reference to the visit to Israel last November by Egyptian President Anwar Sadat.

The Cuban speech was particularly harsh in criticism of China. Mr. Malmierca spoke of the "imperialist expansionist dream of the new mandarins." He supported Vietnam against Chinese ally Cambodia.

He asserted a need for the non-aligned countries to stay independent of the big-power blocs, but he said that they should not confuse friends with enemies, nor equate the socialists, who he said had always helped the cause of liberation, with capitalists who continued to oppose nonaligned goals.

He said that Cuba remained determined to offer all forms of help, including military help, to non-aligned countries that needed it. Cuba, he said, would "never give up the right to receive military assistance or to give it."

Concerning Ethiopia, he said that Cuba had respected the principles of the Organization of African Unity by helping the Ethiopians maintain their territorial integrity against armed attack.

Earlier in the week, Ethiopia had come under criticism from Kuwait, which characterized the war with Eritrean liberation forces "as a civil war" and contrary to self-determination for the Eritrean people. Ethiopia in turn accused Kuwait of interfering in its domestic affairs.

The Palestine Liberation Organization, which is a full member of the nonaligned movement, today repeated its criticism of U.S. peace initiatives in the Middle East. It clearly indicated continued opposition to Egypt's President Sadat for his dealings with Israel.

Yesterday Arab foreign ministers had adopted a joint policy statement on Middle East and Palestine policy that deliberately eliminated criticism of Mr. Sadat.

© Los Angeles Times

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

movement to boycott a nonaligned summit conference scheduled for September next year in Havana. Most delegates at the nonaligned foreign ministers' conference here appeared ready to support the agreement reached two years ago to hold the next summit in Cuba, even at the risk of a boycott by some of the chiefs of state.

Mr. Malmierca's arguments failed to satisfy Somalia, the former ally of the Soviet Union that has found itself in recent months battling Cuban-supported Ethiopian forces in border warfare.

"Cuba's role as the military arm of the Soviet Union in Africa obviously raises serious questions over its membership in a movement such as ours, dedicated to peace, unity and progress," Somali Foreign Minister Abdurrahman Jama Barre told the conference. He supported a suggestion by Egypt that the summit be delayed or moved to another site.

The ministers' conference is scheduled to adjourn tomorrow with adoption of political and economic declarations dealing with major issues of interest to the non-aligned countries. It is known that, like the general debate in open sessions, the drafting process behind closed doors has run into sharp divisions.

But despite their divisions, the delegates are expected to find consensus on a general reaffirmation of the goals of the nonaligned nations, that will keep the grouping alive while concealing some basic divisions. "There is a tradition in the organization to find compromise in the end, for no one wants to be considered the spoiler," a Yugoslav official commented.

Mr. Malmierca spent most of his 40-minute speech responding to the

controversies that have grown over Cuba's role in Africa and its ties to the Soviet Union. He was caustic in rejecting the Egyptian proposal for a change of the summit site.

Criticism of China  
 "There are those who have no compunction about going to Jerusalem, but who do not want to go to Havana," he said, in a reference to the visit to Israel last November by Egyptian President Anwar Sadat.

The Cuban speech was particularly harsh in criticism of China. Mr. Malmierca spoke of the "imperialist expansionist dream of the new mandarins." He supported Vietnam against Chinese ally Cambodia.

He asserted a need for the non-aligned countries to stay independent of the big-power blocs, but he said that they should not confuse friends with enemies, nor equate the socialists, who he said had always helped the cause of liberation, with capitalists who continued to oppose nonaligned goals.

He said that Cuba remained determined to offer all forms of help, including military help, to non-aligned countries that needed it. Cuba, he said, would "never give up the right to receive military assistance or to give it."

Concerning Ethiopia, he said that Cuba had respected the principles of the Organization of African Unity by helping the Ethiopians maintain their territorial integrity against armed attack.

Earlier in the week, Ethiopia had come under criticism from Kuwait, which characterized the war with Eritrean liberation forces "as a civil war" and contrary to self-determination for the Eritrean people. Ethiopia in turn accused Kuwait of interfering in its domestic affairs.

The Palestine Liberation Organization, which is a full member of the nonaligned movement, today repeated its criticism of U.S. peace initiatives in the Middle East. It clearly indicated continued opposition to Egypt's President Sadat for his dealings with Israel.

Yesterday Arab foreign ministers had adopted a joint policy statement on Middle East and Palestine policy that deliberately eliminated criticism of Mr. Sadat.

© Los Angeles Times

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.

Sen. Edward Kennedy, D-Mass., cited a recent study indicating that there are 100,000 unneeded hospital beds in the United States.

Under the plan, hospitals that stop providing in-patient care could apply for an incentive payment for closing down. Payments could also go to hospitals that close down a specific unit, or convert part of their operations to long-term care or ambulatory services.



CITY SEAT SCRAPES THE SKY — West Germany's tallest city hall is being finished in Essen. Standing 106 meters high, the skyscraper dwarfs buildings in this Ruhr-district town that were built at the turn of the century.

## Despite Unrest in Party

## Communists to Maintain Support of Italy Regime

By Henry Tanner

ROME, July 28 (NYT) — The leadership of the Italian Communist Party has decided to continue its support of the Italian Christian Democrats and other non-Marxist parties despite expressions of criticism from the party's rank and file.

After three days of lively debate, the central committee approved the policy line advocated by Enrico Berlinguer, the secretary general, on Monday. Mr. Berlinguer is the leading exponent in the party of the policy of cooperation with the Christian Democrats.

The central committee session, which ended Wednesday, in effect confirmed him in his position as the party's leader, but party sources said that his authority was being challenged more than in the past.

In his 60-page report Monday, Mr. Berlinguer defended the party's decision to become a member of the "government majority"

in a formal agreement last March. Under the agreement, the Communists keep Premier Giulio Andreotti's Christian Democratic government in power by voting for it in Parliament in exchange for consultation on all aspects of government policy.

Tougher Positions  
 But in a concession to critics in his own party, Mr. Berlinguer accused the Christian Democrats of foot-dragging on social issues, and he served notice that the Communists would take tougher positions in future negotiations with the other parties at the national and local levels.

Mr. Berlinguer left open the possibility that the Communists might at some time enter a national coalition government, but he did not press the point. He noted that "certain Western governments" had exerted pressure against Communist entry into the government — an allusion to a statement by the Carter administration in January warning against the consequences of Communist participation in a democratic government.

Mr. Berlinguer noted with concern that relations between Washington and Moscow had "worsened" in recent months. His remark reflected the conviction of Italian Communist leaders that their policy of moderation can succeed only in an atmosphere of détente between the two major powers.

Mr. Berlinguer deplored the harsh sentences imposed on political dissidents at the recent Moscow trials, but he warned that such criticism from Western Communist parties should not be allowed to become a "crusade" against Moscow.

Party Chooses Moro Successor  
 ROME, July 28 (UPI) — The ruling Christian Democrats today elected moderate Flaminio Piccoli to succeed assassinated former Premier Aldo Moro as party president.

Mr. Piccoli, 62, won 133 of the 158 votes cast by party council members.

The vote in effect placed the party under a collective leadership made up of Mr. Piccoli, Premier Giulio Andreotti and Party Secretary Benigno Zaccagnini. It strengthened the position of Mr. Andreotti's minority government, which has owed its survival for the past two years to Communist and Socialist support in Parliament.

Grenade Misses Iraq Diplomat  
 LONDON, July 28 (UPI) — A woman terrorist threw a hand grenade under the car of the Iraqi ambassador to London today, and two men were slightly injured when it exploded.

Iraqi Ambassador Taha al-Dawood had parked and left his car minutes earlier, Iraqi sources said. He was not one of those injured.

Scotland Yard said the woman was arrested and was being questioned by the Yard's anti-terrorist squad.

2 Jumbo Jets Nearly Collide  
 SYDNEY, July 28 (UPI) — Two jumbo jets with 500 persons on board missed each other by less than 1,000 feet, the Federal Transport Department said today.

The incident occurred July 21 and involved Qantas and Pan Am jets over the Tasman Sea about 150 miles east of Sydney, a department spokesman said.

A Transport Department source said, "The incoming Qantas jumbo was incorrectly put on a collision course with the Pan Am plane," and the Qantas pilot lowered his course to avert a collision.

## Theologians Cautious on 'Tube' Births

By Marjorie Hyer

WASHINGTON, July 28 (WP) — Religious leaders generally have offered their nervous blessings to the medical technology which this week produced the world's first test-tube baby. They look with varying degrees of caution on where developments in this field may lead.

Laboratory fertilization to produce human life is seen by many as a process that could aid couples who could not otherwise have children. While theologians differed on the morality of the process, most Protestants and Jews and some Catholics favored the technique. Many traditional Catholics condemned it.

Lesley Brown, the mother of the laboratory baby, could not have a child because her fallopian tubes were blocked. Her doctor surgically removed eggs from her ovaries, mixed them with her husband's sperm, allowed the cultures to grow, and then inserted one into her womb.

"If nature played a trick, as it has in this case, if we can outsmart nature, that is theologically permissible," said Rabbi Seymour Siegel.

Right Questioned  
 Rev. Thomas Kelly, general secretary of the National Conference of Catholic Bishops, however, said, "The fact that science now has the ability to alter this [process] does not mean that, morally speaking, it has the right to do so."

The issue of whether it is permissible to assist conception in this way has also raised other far-reaching questions for religious leaders and medical researchers. They include:

- Has enough animal experimentation been done to assure maximum safety in the process?
- Is the process a form of genetic manipulation?

• Does the process involve destruction of human life?

This last question is a particularly serious one for Catholic theologians. In the laboratory method of creating human life, a number of ripe ova are taken from the mother and mixed with sperm. Then, only the most promising culture is inserted into the womb and the rejects are destroyed.

Maximum Efficiency  
 "One can understand why, for the purposes of maximum efficiency, multiple ova are fertilized simultaneously," said Dr. Leroy Walters, director of the Kennedy Institute Center for Human Reproduction and Biotechnology.

"For one who takes the view that life begins at fertilization, this leads to very serious questions," he said. He added that he does not take this view. "Given what I consider the important good on the other side, namely the possibility of an infertile couple to have children of their own, I would say this good outweighs the evil," he said.

Many Catholics who are opposed to abortion are more troubled by what happens to the discarded, as Rev. Richard McCormick, also of the Kennedy Institute, calls them.

"Is this an abortion? Is there human life present at this stage? There are reasons for doubting that we have a human being [at this stage], but I am not at all clear," he said. "I want to raise that question as vigorously as I can."

The safety of the process concerns many religious leaders. "You have no right to use the process until you have the assurance that it is as safe as normal reproduction," said the Rev. Charles Curran of Catholic University.

Doubt Expressed  
 Rev. Curran and other churchmen expressed doubt that there has been sufficient experimentation on animals before the process was tried on humans.

"It would be a terrible thing," the Rev. Dr. Roger Shinn of Union Theological Seminary in New York said, if a mother impregnated through the laboratory process "should give birth to a badly deformed baby whose abnormality was due to something in the process."

Dr. Shinn generally favored laboratory fertilization, but raised the issue of using surrogates, to carry fetuses for women who would prefer to avoid going through pregnancy.

"I would find it offensive that a woman who wants children of her own but who didn't want to interrupt her career, or who didn't want to lose her girlish figure — these could be a hundred reasons — could employ somebody to have the baby for her, in effect, rent her body."

The Rev. Paul Ramsey of Princeton University has been one of the most serious brooding critics. He fears that laboratory fertilization is the first step toward genetic engineering.

"That argument is an argument against doing anything for the first time," replied the Rev. Dr. John Fletcher, a clinical assistant for bioethics at the National Institute of Health.

## Stress New Moral Issues

## Theologians Cautious on 'Tube' Births

WASHINGTON, July 28 (WP) — Religious leaders generally have offered their nervous blessings to the medical technology which this week produced the world's first test-tube baby. They look with varying degrees of caution on where developments in this field may lead.

Laboratory fertilization to produce human life is seen by many as a process that could aid couples who could not otherwise have children. While theologians differed on the morality of the process, most Protestants and Jews and some Catholics favored the technique. Many traditional Catholics condemned it.

Lesley Brown, the mother of the laboratory baby, could not have a child because her fallopian tubes were blocked. Her doctor surgically removed eggs from her ovaries, mixed them with her husband's sperm, allowed the cultures to grow, and then inserted one into her womb.

"If nature played a trick, as it has in this case, if we can outsmart nature, that is theologically permissible," said Rabbi Seymour Siegel.

Right Questioned  
 Rev. Thomas Kelly, general secretary of the National Conference of Catholic Bishops, however, said, "The fact that science now has the ability to alter this [process] does not mean that, morally speaking, it has the right to do so."

The issue of whether it is permissible to assist conception in this way has also raised other far-reaching questions for religious leaders and medical researchers. They include:

- Has enough animal experimentation been done to assure maximum safety in the process?
- Is the process a form of genetic manipulation?

• Does the process involve destruction of human life?

This last question is a particularly serious one for Catholic theologians. In the laboratory method of creating human life, a number of ripe ova are taken from the mother and mixed with sperm. Then, only the most promising culture is inserted into the womb and the rejects are destroyed.

Maximum Efficiency  
 "One can understand why, for the purposes of maximum efficiency, multiple ova are fertilized simultaneously," said Dr. Leroy Walters, director of the Kennedy Institute Center for Human Reproduction and Biotechnology.

"For one who takes the view that life begins at fertilization, this leads to very serious questions," he said. He added that he does not take this view. "Given what I consider the important good on the other side, namely the possibility of an infertile couple to have children of their own, I would say this good outweighs the evil," he said.

Many Catholics who are opposed to abortion are more troubled by what happens to the discarded, as Rev. Richard McCormick, also of the Kennedy Institute, calls them.

"Is this an abortion? Is there human life present at this stage? There are reasons for doubting that we have a human being [at this stage], but I am not at all clear," he said. "I want to raise that question as vigorously as I can."

The safety of the process concerns many religious leaders. "You have no right to use the process until you have the assurance that it is as safe as normal reproduction," said the Rev. Charles Curran of Catholic University.

Doubt Expressed  
 Rev. Curran and other churchmen expressed doubt that there has been sufficient experimentation on animals before the process was tried on humans.

"It would be a terrible thing," the Rev. Dr. Roger Shinn of Union Theological Seminary in New York said, if a mother impregnated through the laboratory process "should give birth to a badly deformed baby whose abnormality was due to something in the process."

Dr. Shinn generally favored laboratory fertilization, but raised the issue of using surrogates, to carry fetuses for women who would prefer to avoid going through pregnancy.

"I would find it offensive that a woman who wants children of her own but who didn't want to interrupt her career, or who didn't want to lose her girlish figure — these could be a hundred reasons — could employ somebody to have the baby for her, in effect, rent her body."

The Rev. Paul Ramsey of Princeton University has been one of the most serious brooding critics. He fears that laboratory fertilization is the first step toward genetic engineering.

"That argument is an argument against doing anything for the first time," replied the Rev. Dr. John Fletcher, a clinical assistant for bioethics at the National Institute of Health.

UN Mission Reported Set For South-West Africa

UNITED NATIONS, July 28 (AP) — Secretary-General Kurt Waldheim says a UN mission will be on the way to South-West Africa within a week to put the Western independence plan for the territory into effect, despite uncertainty over what South Africa will do.

The South Africans had threatened to repudiate the Western plan if the UN Security Council adopted a resolution giving Walvis Bay, the only deep-water port in the area, to South-West Africa. The resolution was adopted unanimously yesterday. But after U.S. Secretary of State Cyrus Vance told the council that the resolution "does not prejudice the position of any party," it does not seek to coerce any party," R.F. Botha indicated that his government might be satisfied.

The Western independence plan to which South Africa agreed calls for negotiations after independence to decide the disposition of the Walvis Bay enclave.

"No Force of Law"  
 South African Prime Minister John Vorster said in Pretoria today that the Security Council's move

has no force of law and that the government cannot allow that it be treated as a precedent. He said it should be with its property, or how it should control or administer it.

"To negotiate with a friendly government in South-West Africa on the harbor and its use is one matter and speaks for itself, but to make demands and to limit these demands with a settlement in South-West Africa is a different matter, which is unconditionally rejected by the government," he said. He said that the cabinet would discuss the issue Tuesday.

The Security Council, by a 13-0 vote yesterday, directed Mr. Waldheim to name a special representative to "ensure the early independence of Namibia through free elections" held under UN supervision and control. The Soviet Union and Czechoslovakia abstained.

Namibia is the African name for South-West Africa. The German colony that South Africa seized in World War I, held under a League of Nations mandate and refused to give up after the United Nations terminated the mandate in 1966, Walvis Bay was a British enclave, which Britain turned over to South Africa in 1910, but South Africa has administered it as part of South-West Africa since 1922.

Special Representative  
 Mr. Waldheim told the council that the special representative he will name will be Martti Ahtisaari, the UN commissioner for Namibia. He said his mission was expected to take two or three weeks to make a survey of arrangements needed to hold elections.

After Mr. Ahtisaari makes his report, the council will meet again to create a UN Transition Assistance Group of about 1,500 civilian and 7,000 troops to help manage the transition to independence, expected to occur next spring or summer.

The United States, Canada, Britain, France and West Germany — the Western members of the Council — worked out the independence proposal in 15 months of negotiation with South Africa and the South-West African People's Organization, the black nationalist organization that has been fighting guerrilla war against South African rule.

After South Africa accepted the plan on April 25, the Western sponsors added the Walvis Bay resolution to get the black nationalists' acceptance on July 12.

Vance's Explanation  
 Mr. Botha told the council that his government had felt that if the five Western members voted for the Walvis Bay resolution, it "could no longer cooperate in the implementation of the [independence] proposal." But he said he would transmit Mr. Vance's explanation to Pretoria, and "it will then be for my government to make its final decision."

French Foreign Minister Louis de Guiringaud told a news conference: "We interpret that to mean that he has accepted our plan but he has continued reservations about the second [Walvis Bay] resolution."

West German Foreign Minister Hans-Dietrich Genscher said: "We are convinced that there is no room, no possibility for them to go back."



## But Approves Large Cuts

## House Panel Scales Down Carter Tax-Reform Plan

By Art Pine

WASHINGTON, July 28 (WP) — The House Ways and Means Committee last night approved a scaled-down substitute for President Carter's tax plan that would sharply cut capital gains rates and offer a one-time tax exemption for the first \$100,000 in profits from the sale of a private home.

The \$16 billion measure contains roughly \$10.5 billion in tax cuts for individuals, \$3.8 billion for businesses and a \$1.8 billion cut in capital-gains taxes.

For individuals, it would reshuffle existing rates, scrap the \$35-per-person tax credit, enlarge the personal exemption from \$750 to \$1,000 and repeal the deduction for state and local gasoline taxes. The average reduction would be about \$163 per taxpayer.

The homeowner provision, which would cost the treasury an estimated \$785 million annually, would allow citizens to escape taxes on up to \$100,000 in profits when selling a principal residence, even if the money is not used to buy a more costly home.

The measure was approved 25 to 12 with support from a coalition of 12 Republicans and 13 Democrats. It is different from that proposed in January by Mr. Carter, who has said that he may veto the Ways and Means version.

The President had recommended legislation that was laden with "tax reform" measures and which would have skewed the reductions more toward low- and middle-income taxpayers.

The Ways and Means bill would concentrate the bulk of the relief in the \$15,000-to-\$100,000 tax brackets. It also would scrap all but a handful of relatively minor tax reform provisions.

Rep. Al Ullman, D-Ore., chairman of the panel, said that he expected the bill to come up on the floor early next month, in time for passage by the House before Congress takes its late August recess.

It was not immediately clear how much the bill would be changed on the House floor. The leadership is expected to ask that it be considered under parliamentary rules allowing only a few key floor amendments.

After it reaches the Senate, it could undergo more changes. Sen. Russell Long, D-La., chairman of the Senate Finance Committee, said this week that his committee probably would enlarge the capital-gains cuts.

Under current law, only half of a capital gain is subject to U.S. income tax. The rest is taxed under a 15-percent minimum tax enacted in 1976 to prevent high-income investors from using tax preferences to escape payment.

Yesterday's measure would slash the maximum tax rate for capital gains to 35 percent, down from the 49.1-percent rate now paid by a handful of high-income taxpayers.

In a last-minute wrinkle, the committee voted to exempt the untaxed portion of capital gains from the 15-percent minimum tax and instead require either regular income tax or an alternative mini-

mum tax of 10 percent on all other-wise untaxed gains above \$10,000 — whichever is higher.

However, the alternative minimum tax would apply only to capital gains. The 15-percent minimum tax would be retained for so-called preference income — earnings from investments that are protected by tax shelters.

## Inflation Adjustment

In addition, the bill would provide, for the first time, an inflation adjustment for capital-gains taxes. This would eliminate the taxation of gains that stem primarily from inflation.

The provision affecting home sales would replace an existing law that allows home sellers over 55 to exclude the first \$35,000 of the selling price for tax purposes. Under the bill approved by the committee, persons of any age could take the \$100,000 exclusion.

Under the measure, a home seller could either "roll over" the profits by reinvesting the money in a new and presumably more costly home within 18 months of the sale, or he could keep the profit by claiming the one-time exception.

A taxpayer could still escape taxes on the profits from the sale of his home as many times as he qualified for exemption by using the money to buy a new home. But he would be able to claim the \$100,000 exclusion only once during his lifetime.

If a taxpayer claimed the exclusion on a home sale in which the profit was \$150,000, the first \$100,000 would be tax free and the rest would be treated as a regular capital gain — that is, half of the remaining \$50,000 would be taxed at the regular rate for the taxpayer's income level.

The business tax cuts approved yesterday include a reduction of two percentage points in the 48-percent corporate tax rate and a lower graduated tax for small businesses.

The measure also would make permanent the 10-percent investment tax credit for business and extend it to the rehabilitation of existing structures as well as to purchases of new equipment. Firms also could use the credit to offset 90 percent of their taxes, rather than the current 50 percent.

In addition, the bill would provide a streamlined jobs tax credit to encourage businesses to hire youths from low-income families. An amendment would provide the tax break for two years rather than one.

The measure omitted most of the major "tax reform" provisions that Mr. Carter proposed, including his recommended crackdown on the "three-martini lunch" and repeal of the large foreign-tax breaks that now go to multinational corporations and exporters.

But the panel did approve a handful of relatively minor "reform" items, ranging from repeal of the deduction for state and local gasoline taxes to elimination of the write-off for political contributions. The panel also voted to tighten the use of tax shelters.

## Water-Resource Projects Backed by Senate Panel

By Ward Sinclair

WASHINGTON, July 28 (WP) — With a minimum of debate, a Senate Appropriations subcommittee approved yesterday a \$10.2 billion water-resources, nuclear-energy spending bill that has raised threats of a presidential veto.

The Public Works Appropriations subcommittee's bill, which still must win full committee and Senate passage, allocates about \$135 million less than a House-passed version.

But the measure contains funds for seven federal water-resource projects opposed by President Carter. The House bill contained money for eight.

Sen. Bennett Johnston, D-La., subcommittee chairman, conceded that the bill could face trouble, but he said he had no recent word from the White House.

He said the word "veto" was not mentioned in a meeting three weeks ago with presidential staff aides, but he indicated that the Senate approach may leave little room for compromise.

Other items of possible confrontation include funding for the Clinch River nuclear-reactor project, a move approved by the House.

The administration opposes the reactor demonstration project, but the Senate bill provided \$172 million — \$15 million more than the House. A final Senate position on the issue will not be made until it deals with a separate Department of Energy authorization measure.

Sen. Johnston's subcommittee, however, avoided plunging itself into another controversy. The panel sent to the full committee a proposal to exempt the Bureau of Reclamation from developing a comprehensive environmental impact statement covering a series of projected dams in the Colorado River basin.

The proposal was drawn up this week in a meeting of western senators and representatives as a response to a suit filed last month by the Environmental Defense Fund.



HELP FOR THE STRICKEN — New York City firemen administer oxygen and summon further help for one of their number who was overcome by smoke inhalation. Six firefighters were overcome while fighting this one-alarm fire on Manhattan's Lower East Side yesterday. All six were hospitalized at Bellevue Hospital and were later reported to be doing well.

## Court Urges U.S. Navy to 'Approach Issues'

## Ban on Ship Duty by Women Is Voided

By Timothy S. Robinson

WASHINGTON, July 28 (WP) — U.S. District Judge John Sirica ruled yesterday that it is unconstitutional for Congress to flatly bar women from serving on U.S. Navy ships.

Instead, he said, it should be up to the Navy to assign its personnel — men and women alike — as it sees fit.

He made it clear that there may be additional "unanswered questions" about the effect of full sexual integration that might lead the Navy to continue its policy of discrimination in certain areas, such as combat vehicles, or to wait until it re-equips certain ships before allowing women to serve on them.

"Those are essentially military decisions that are entrusted to executive authorities and the court expresses no view whatever on what their outcome should be," Judge Sirica said.

But what the court is requiring is that executive authorities move forward in measured steps to approach these issues," he added.

## Suit by 4 Women

Judge Sirica ruled in a suit brought by four Navy women who said the Navy was discriminating against them and against the 21,800 other Navy women who were prohibited by federal statute from serving aboard Navy ships other than transport and hospital vessels.

Because there are no Navy hospital or transport ships in operation now, the women are effectively precluded from any ocean duty as crew members, they said.

The Navy said it was merely following Congress' mandate when, 30 years ago, that body passed the statute blocking the assignment of women to ships.

The judge said, however, that this case "makes amply clear over a generation later" that Congress was wrong when it passed the total bar to women serving on ships.

"[I] acted without serious deliberation, against the expressed judgment of the military, and, by foreclosing the Navy's discretion regarding women well beyond the legitimate demands of military preparedness and efficiency, it acted arbitrarily," Judge Sirica said.

Claimed Advancement Blocked

The women who filed the suit said that their inability to be assigned to sea duty blocked them from entering or advancing in various Navy fields of expertise.

Yona Owens, of Arlington, Va., one of the plaintiffs, is an "interior communication electrician" for example. Her job, according to

court papers, involves repairing and maintaining sophisticated electrical equipment primarily used for navigation and found aboard ships. She requested a shipboard assignment to develop and use her skills more fully.

However, the Navy has refused to even consider her for duty "irrespective of her personal qualifications," Judge Sirica pointed out. Similar complaints were raised by the other three women named in the suit.

Judge Sirica said that in recent years there has been a marked increase in the recruitment of women in the military and a heavier reliance on women to fill a wide range of military jobs.

"Significantly, none of the limitations and disadvantages facing Navy women is traceable to any studied evaluation made of male and female capabilities that reveals that women lack the native ability to perform competently in positions held exclusively by men," he said, adding that several military reports suggest "that just the opposite is true" in some cases.

The Navy has supported the ability to have more discretion in the assignment of women aboard ships, and a bill is pending in Congress to that effect with naval support.

U.S. Census Figures Show Drop in Number of Poor

By Susanna McBeck

WASHINGTON, July 28 (WP) — Poverty in the United States declined significantly during the first half of this decade, and the fast-growing South showed the greatest improvement, Census Bureau reports show.

However, the 11.6-percent drop in the number of poor persons in the United States between 1970 and 1975 was short of the 39-percent reduction that occurred in the booming 1960s.

The slowdown resulted from the generally stagnant economy in the early 1970s, said Carol Fendler, a Census Bureau statistician specializing in poverty figures. "We were in and out of recessions with heavy unemployment and high-level inflation caused by the oil embargo," she said.

Poverty declined by 16 percent in the South, slightly more than 10 percent in the Northeast and North Central region and 1.3 percent in the West between 1970 and 1975, the reports show.

The figures are contained in four regional reports, the latest of which — on the West — was published by the bureau Wednesday.

## More Urban South

The South's progress stems from the fact that it has become more urban and industrial, Miss Fendler said. But she noted that its poverty rate, 20.3 percent in 1970 and 15.3 percent in 1975, was still the highest of any region.

Larry Long, chief of the bureau's population analysis staff, said: "It's pretty clear that most of the decline in the number of poor people in the country has occurred in the South, which ironically has been the poorest region. The spurt in employment growth in the South has absorbed much of the low-income population. The highest percentage of poor people in the South are the working poor, which implies that fewer, relatively speaking, are below the poverty line."

In long-range terms, the national poverty decline seems dramatic. In 1960 there were 39,851,000 persons below the poverty level — 22 percent of the population. In 1975, the figure was 25,991,000 — 11.4 per-

cent. But each year, with inflation, the definition of poverty changes. The poverty level is considered \$6,190 for a nonfarm family of four.

The bureau's reports also show that, when adjusted for inflation, the South was the only region where median family income rose between 1970 and 1975. Income there increased by 5 percent while it dropped by 1.8 percent in the West, 1.7 percent in the Northeast and 0.2 percent in the North Central states.

The Census Bureau said that "one of the most striking findings" was the large increase in median income for persons living alone or with others not related to them. Higher Social Security payments accounted for most of the increases, the bureau said.

Soviet Military Outstrips U.S., Japan Reports

TOKYO, July 28 (UPI) — Japan's Self Defense Agency today published a frank 260-page report noting that Soviet military power has surpassed that of the United States in terms of force scale.

The SDA report noted that the U.S.-Soviet military balance had shifted as a result of the Soviet defense buildup in recent years.

It said the expansion of the Soviet Union's naval potential could affect sea lanes leading to the U.S. mainland, adding that rivalry between the two superpowers in has been intensifying.

Although the United States basically continues to meet its defense commitments to other countries, it has been finding it difficult to offer defense power to Western allies on the same scale as in the past, the report said.

NEW YORK'S HOTEL CARLYLE

MADISON AVENUE AT 78TH ST., NEW YORK 10021

CABLE: "THE CARLYLE NEW YORK" TELETYPE: 820692

DIVORCE

IN 24 HOURS

Manual consent or consented officers. Low cost, quick, just right to Mail or Court. Includes: 1st-class hotel. All ground travel. Free. For information, send \$2.75 for 24-page booklet to Dr. F. G. Owens, 2025, 1721 DeSales St., N.W., Suite 202, Wash., D.C. 20036, U.S.A. Tel.: 202-452-8331. Worldwide service.

Avital Shecharansky Cuts Short U.S. Tour

CHICAGO, July 28 (UPI) — The wife of imprisoned Soviet dissident Anatoli Shecharansky left for Israel last night, canceling the remaining part of a tour — aimed at gaining support for her husband — because of poor health.

Avital Shecharansky will spend time at her home in Jerusalem, recuperating from extreme fatigue and anemia, said Lorel Pollack, a spokeswoman for Chicago Action for Soviet Jewry. The group sponsored Mrs. Shecharansky's visit to Chicago. Mrs. Shecharansky had been scheduled to tour Canada, and had visited New York, Washington and Los Angeles.

## Says Refusal of Testimony Ends Inquiry

## Jaworski to Quit House Korean Probe

By Mary Russell

WASHINGTON, July 28 (WP) — Leon Jaworski said yesterday that he would resign shortly as special counsel to the House committee investigating Korean influence-buying in Congress, explaining that South Korea's refusal to allow a former ambassador to testify forces him to bring the inquiry to an end.

Mr. Jaworski said the investigation was "incomplete" but without the testimony of former Ambassador Kim Dong Jo "there is nothing else we can do."

Mr. Kim is suspected of having made or directed payments to about 10 House members. The Korean government, citing diplomatic immunity, has refused to make him available to testify.

House Speaker Thomas O'Neill Jr., D-Mass., announced yesterday that the Korean government had turned down a last-ditch request to allow two congressmen to meet with Korean President Park Chung Hee and attempt to persuade him to allow Mr. Kim to testify.

"Not interested"

"I would say without our having his evidence, we have certainly come to a place where the investigation must come to a close. There is nothing else we can do," Mr. Jaworski said.

This is just a situation where his government is not interested. It wants to suppress what the facts are. He [Mr. Kim] wants to suppress the facts."

"We made every effort to get Kim," Mr. Jaworski said, including a House vote to cut off \$56 million in food aid to the Seoul government. The counsel said that he even made an effort through "private sources," which he would not disclose. "It didn't work either."

He said that his only role was to conduct the investigation by the Committee on Standards of Professional Conduct, and that the remaining job — deciding what action to take against four members of Congress charged with improprieties in dealing with Korean lobbyist Tongsun Park — is up to committee members.

Mr. Jaworski refused to term the investigation inconclusive, because, he said, the part dealing with Tongsun Park was resolved.

## 'A Question Mark'

But Mr. Jaworski admitted that it "leaves a question mark if all involved were brought to the bar answering to the facts."

Still, he said, the investigation is "bound to have a salutary effect. Congressmen who made mistakes are going to think more clearly and closely before proceeding in the future. This serves as a deterrent to those who might stray."

Mr. Jaworski said those who remained undiscovered because of Mr. Kim's refusal to testify are "only a handful, certainly not more than 10 and probably less."

Charges against the members who allegedly took money from Mr. Kim would have been more serious than charges against those who took cash gifts from Tongsun Park, because the members who said they did not know that Mr. Park was working for the Korean Central Intelligence Agency would have no such excuse with Mr. Kim. It is illegal for a member of Congress to take money from a foreign official.

## Exaggeration Seen

Mr. Jaworski said that he thought "two things are really important about the investigation. One, we went as far as we humanly could." Second, the extent of the

wrongdoing was "terribly exaggerated by the media. During the course of the investigation, one newspaper estimated that as many as 115 members of Congress were involved."

"To say some are going free and uncashed is unfair because we do not have the facts," Mr. Jaworski said.

Mr. Jaworski said that the State Department's contention that calling Mr. Kim to testify violated international convention of diplomatic immunity made the investigation "more difficult."

## Brown Defends Schedule For Korea Troop Pullout

By Jack Jones

CORONADO, Calif., July 28 — Defense Secretary Harold Brown said yesterday that he saw "no reason at this time to change our overall plan" regarding U.S. troop pullouts from South Korea, despite a Senate warning that Congress should be consulted first.

Mr. Brown, joining South Korea Defense Minister Roe Jae Hyun in a press conference after two days of closed talks in the 11th annual U.S.-Republic of Korea Security Consultative Meeting, was asked about the 81-7 Senate vote on a foreign-aid bill amendment by Sen. Charles Percy, R-Ill.

"We have been consulting with the Congress and will continue to do so," Mr. Brown said, adding that the timetable for the withdrawal was "not inflexible" and already had varied from the original plan.

Mr. Brown said that administration policy continued to be one of withdrawing 30,000 U.S. ground troops from South Korea over the next four or five years.

Backers of the Senate amendment had said earlier that they did not object to the timetable, which calls for pulling out 3,400 troops by the end of this year, but that any further reductions would have to be done in close consultation with Congress.

Mr. Brown assured reporters — including more than a dozen South Koreans — that the pullout would be carried out "with due regard for the preservation of military balance" on the Korean peninsula.

He noted that there had been a buildup during the last year of North Korean military forces near the demilitarized zone, where artillery, tanks and other hardware "capable of rapid offensive movements" had been detected.

"We believe the balance is still being maintained," he said, adding that South Korea had been strengthening its forces. He said that the United States would maintain

## U.S., Russians End Arms Talks

HELSINKI, July 28 (UPI) — The United States and the Soviet Union today wound up 10 days of preliminary talks on limiting international trade of conventional weapons. The U.S. side called the talks "very productive."

Meetings were held alternately at the U.S. and Soviet embassies here, with Leslie Gelb, director of the bureau of political-military affairs at the State Department, and Ambassador Lev Mendelovich as chairmen. A communique will be issued simultaneously in Washington, Moscow and Helsinki on Aug. 1.

Mr. Gelb said after today's final meeting at the Soviet Embassy: "Both parties believe we have had serious discussions that were very productive and will form the basis for a subsequent important meeting between the delegations later this year." The place for that meeting has not been decided.

WASHINGTON, D.C.

A Renaissance of Graciousness

A luxury hotel in the great European tradition. Elegant, quiet, unruffled — never a convention.

THE MADISON

Washington's Correct Address

15th & M Streets, N.W., Washington, D.C. 20005

Telex 64245

or see your travel agent

Marshall B. Corry, Proprietor

Put your trust in a diamond.

IDS

Welcome to the world of diamonds, with diamonds and diamond jewelry at exceptionally good prices from the world's leading first source diamond company.

The finest quality diamonds for investment, gifts, or your own personal use, direct from the diamond source of the world.

Contact us for full information, or visit us.

International Diamond Sales

Head Office: 80-82 Hovenstraat, 2000 Antwerp, Belgium.

Tel. 031-81 77 64, Telex: 35395 ind-ub

London Salon: The Savoy Hotel, The Strand, London WC2R 0BP.

Tel. 01-839 48 48

(All Diamonds Guaranteed By Certificate)

## How Dogged Lawyer Sued Pope And Lost the Sunday Collection

SANTA ANA, Calif. — A debt is a debt as far as attorney William Sheffield is concerned, and he is still waiting for the pope to pay up.

Three years ago he won a \$428.50 default judgment after two years of litigation against the Roman Catholic Church. It was a moral victory — he has yet to see a single lira. He figures that the church spent \$20,000 fighting the case.

It all started in 1968 when Mr. Sheffield, then a Berkeley law student, dropped in at a Saint Bernard hospice in Switzerland and the puppies took his fancy. He says he paid a monk \$65 as deposit for the pick of a pending litter and airfare to Los Angeles.

All the puppies died. In a three-year exchange of letters Mr. Sheffield learned that he would not get his deposit back. Good law student that he was, he took it to court and won.

That was in 1975. "I never collected," he said. "I got an attachment against the offering plate at St. Mary's Cathedral in San Francisco. The sheriff's deputies went right in and took it out in a sack."

The Sunday's take had been billed as "Peter's Pence" or "The Pope's Collection," but the church denied that it was specifically the pope's money. "And the hearing officer could not decide who was right," recalled Mr. Sheffield, who is not a Catholic. He never collected.

He said he decided that a Saint Bernard from a monastery might have been "too dogmatic," and so he acquired a Great Dane.

Los Angeles Times



## Compromise on Zimbabwe

As Rhodesia moves closer to a vote that would change the country from its white political domination to black majority rule, its government is having difficulties, both within itself and with the black guerrillas. But it has set tentative dates for a new constitution and for the voting and there are many outside Africa who believe the government should receive greater support.

This has been the case in the U.S. Senate, where Jesse Helms of North Carolina wanted to end the trade boycott against Rhodesia. The Carter administration wants to retain it on the assumption that the only fair transitional government would be one that had acceptance by the guerrilla groups and some measure of outside surveillance to insure that the transition from white-ruled Rhodesia to black-ruled Zimbabwe would in fact be made.

Sen. Clifford Case of New Jersey and Sen. Jacob Javits of New York proposed a compromise. They would retain the boycott, but call upon the president to end it if he determined if a Rhodesian government had been established through free elections impartially observed, which would negotiate in good faith with the guerrillas. This compromise was adopted, and included in the foreign aid bill passed by the Senate.

The administration is relieved that the Helms initiative did not succeed, but it still seems to fear that African opinion will regard the United States as backing down on its efforts to secure a free Zimbabwe. And, in fact, Rhodesia's closest black neighbor states, have, in effect, supported the Patriotic Front — the guerrilla movement — as opposed to the black Rhodesians who have joined Ian Smith in the transitional government.

The problem, of course, is whether the Patriotic Front (like the similar organization which took over in Angola) is not more concerned with its own victory than with that of the black community in Rhodesia as a whole. So the conditions affixed to the Case-Javits amendment are appropriate in that they call for fair elections, not necessarily for the triumph of the Patriotic Front.

The government in Salisbury, headed by Ian Smith, has to prove its good faith in conducting both elections and negotiations — and this implies that the Patriotic Front also has to prove its concern for Zimbabwe, rather than for its own specific goals and leadership. And to the extent that Rhodesia's neighbors are involved in the activities of the guerrillas, their own good faith is up for testing.

## Conceiving the Inconceivable

Aldous Huxley envisaged a future in which sex and procreation would be entirely separate, a future in which people would be mass-produced in "hatcheries" and "conditioning centers." We are still, fortunately, very far from such a world; only very recently have scientists been able to identify one specific gene — the one that directs the production of hemoglobin — from among the millions of genes that constitute the blueprint for each human being. But a landmark has now been passed with the birth of a normal baby conceived outside a human body. Probably not since the invention of nuclear weapons has a scientific advance been received with such mixed feelings.

Those who applaud the accomplishment of Dr. Robert Edwards and Dr. Patrick Steptoe emphasize the obvious benefits it promises. New hope has been given to thousands of couples who desire children but cannot conceive them because damaged fallopian tubes prevent the male sperm from reaching and fertilizing the would-be mother's egg cells. These couples can now look ahead to artificial conception and the implanting of the resultant embryo in the mother's uterus, as was done for Mrs. Lesley Brown in Britain.

But there are also several varieties of dismay. Some people are appalled for religious reasons; they look upon any departure from normal conception as a violation of God's plan. Others fear that babies conceived and carried like the Brown child run greater risks than natural babies of physical deformity or mental retardation. Still others worry that this technique will spread; it could be used, for example, on women

hired to carry a child from artificial conception to birth.

In the United States, experiments with test-tube conception have been halted for the past three years by an official judgment that the procedure is unethical. The U.S. scientists who now want to renew their studies in this field are hoping that the National Ethics Advisory Board, formed last January, will reverse the judgment.

The ethical dilemmas in all this are well summarized by the paradox cited by Dr. Daniel Callahan of the Hastings Institute. In his view, the conception of the Brown baby outside of Mrs. Brown's body was probably unethical because of an implicit conflict of interest between the parents, who wanted a child, and the child, who would have to bear the consequences of abnormality. The risks were incalculable because there had been no evidence that a normal human being could be produced in this fashion. Yet now that Louise Brown is born and apparently healthy, the risks appear much smaller and repetition of this procedure correspondingly more ethical. As Dr. Callahan remarked, "The history of medicine is full of instances where things were done unethically but led to benefits for people."

Precisely because the ethical questions are becoming superhuman, it was gratifying to observe Mrs. Brown demanding the joy of human uncertainty at the heart of the affair. She asked not to be told the sex of her child before its birth, although her physicians had already determined what it would be. Given the power to bypass nature, she nonetheless aspired to preserve its mysterious ways.

THE NEW YORK TIMES.

## La Plume de Rousseau

Let not July slip by without a tip of the hat to Jean Jacques Rousseau, who died 200 years ago this very month. Customarily one celebrates the birth dates of famous men, but in the case of Rousseau the date of his death was the more significant. Only after his death did Rousseau gain political and intellectual sainthood. Before that he was merely history's first fuzzy-headed liberal; but he was also history's first truly distinguished fuzzy-headed liberal, and for that alone deserves praise.

It began, you could say, one summer day on a walk from Paris to Vincennes, when he stopped to read the *Mercur* de France, which carried an ad for a prize for the best essay on the subject of art and society. "Ah," said Rousseau in a letter to a friend, "if I could ever have written a quarter of what I saw and felt, under that tree . . . with what simplicity should I have demonstrated that man is naturally good and that it is through institutions alone that men have become wicked!"

It was, in fact, with great simplicity that Rousseau pursued that central idea through all his work. He did not trouble to wonder how, if men were naturally good, they had managed to invent wicked institutions. Instead, he wrote several key books — "Emile," "The Social Contract," "Confessions" — quite different from each other in form, yet all extending the idea of man's natural goodness into such areas as private property (a menace), science (as ruining civi-

lization), family life (ditto — a point he emphasized by placing all of his five children in founding homes), progress (better to live as a primitive), luxury (undermined morality), wealth (an instrument of slavery), education (should teach men how to live), the self (the only place of accountability) and government (belongs to the people).

What Rousseau gave the world, in short, are the only two ideas with which we've been occupied these past 200 years: revolution and individuality. The two have worked together rather well. Revolutions are carried out in the name of the naturally good individual; and the naturally good individual carries the seed of revolution inside him. Thanks to Byron and others, Rousseau's idea spread from politics to art and religion. Emerson was able to proclaim, "Whenever man comes, there comes revolution," because Rousseau had already proclaimed, "Man is born free, and he is everywhere in chains."

Of course, this business of individual freedom gets a bit tricky whenever one good individual uses his good individuality to beat the brains out of somebody else's. "Had there been no revolution; I should have been impossible."

Still, had there been no Rousseau we would have been impossible, which would have been a shame, to say the least. Anyone whose ideas account for us can't be all bad. Or all good, either — naturally.

THE WASHINGTON POST.

### In the International Edition

Seventy-Five Years Ago  
July 29, 1903

WASHINGTON — The coup that was reported yesterday in Panama has turned out to be a largely comic-opera affair, according to sources in that country. Instead of a general having taken control of the government over army-pay dispute, it appears instead that Gen. Vasquez Lobos imbibed an excessive amount of alcohol and took 12 of his troops to round up all the officials against whom he held a grudge, including the president. The rest of the government took to the woods until the general sobered up.

Fifty Years Ago  
July 29, 1928

WASHINGTON — The United States will shortly broaden the scope of its diplomatic relations with the Chinese Nationalist regime to include full diplomatic recognition, supplementing the present agreement on tariffs, authoritative sources said here today. Formal announcement of the step may be forthcoming within the next two weeks, according to the same source. Reaction to the tariff agreement, which amounts in itself to de facto recognition, has been enthusiastic from Nanking, and critical from Tokyo.



"Of Course, We Can't Guarantee That They Won't Act Dopey."

## Ireland's Lost Tribe

By Margaret Gordy

DUBLIN — A joke making the rounds of the Irish pubs describes a tourist in Belfast who is accosted by a masked gunman and asked, "Are you Catholic or Protestant?" Terrified, the tourist gives a brainstorm and answers, "Neither — I'm Jewish." "Beggah," crows the gunman: "I'm the luckiest Palestinian terrorist in Ireland!"

The joke illustrates the dilemma faced by the tiny Jewish community in Ireland. Although Jews here say they have had "less than nothing" to do with partition or its consequences, they have become embroiled in the bitterness dividing north and south.

"We can't get the Belfast Jews to have much to do with us," said a member of the Dublin Hebrew Congregation. "We're all Jews, and we'll all side together if there's trouble in Israel. But aside from that, they treat us first as southerners. They even accuse us of siding with the IRA."

### Bad Feeling

The bad feeling between the two Jewish groups is compounded by their dwindling populations. In Dublin, emigration to Israel and intermarriage have reduced the Jewish population over the past 15 years from 4,500 to 2,000. The Dublin Jewish community has attempted to ease the pressure to assimilate or emigrate by arranging inter-visits with congregations in London, Manchester and Birmingham — but not Belfast.

"I wrote to the Belfast community three times to offer them the use of our synagogue for the weekend," said Maurice Gordon, a machine shop owner in Dublin. "They never answered."

And in Belfast, almost none of the approximately 700 Jews who have fled the violence of the past 10 years has settled in Dublin.

"They say we're too Irish here," scoffed a Dublin Jewish lady in a bright green suit. "They call us the Catholic Jews."

Yet the Belfast and Dublin Jews are inextricably linked by cultural and Catholic majorities in Northern Ireland and Ireland.

### Orthodox

The majority of Irish Jews are descended from Eastern Europeans. Most are highly orthodox, so strict dietary laws prevent them from eating in non-Jewish homes. Intermarriage is not permitted, but occurs. Education for most Irish Jews takes place in private secular schools. Religious law prohibiting them from riding in cars on Saturday limits their weekend activities.

To walk into a synagogue in Dublin or Belfast on a Saturday morning is to witness a scene virtually identical to Jewish services all over the world. In the middle of the sanctuary are the religious leaders wearing black skullcaps and silk prayer shawls. They chant in Hebrew, which few of the congregation understand, and many ignore.

### Outside

Outside the synagogue, the Irish Jews have used their religious identification to deepen the division between Northern Ireland and Ireland. In Belfast, the Jews consider themselves British citizens, and they report to a chief rabbi in England. They officially reject the concept of a united Ireland because the Irish Republic does not separate the Catholic Church from the state.

The Dubliners support the Catholic-oriented Republican government precisely because it supports a Jewish way of life.

"The Catholics here were persecuted for 800 years," said Samuel Davis, a Dublin physician. "They're good to Jews, they know what religious tolerance is about."

### Protest

In a recent example, deputies in the Irish parliament protested the "inhumanity" of the Jewish dietary law requiring that animals be slaughtered through the jugular vein. The issue was a sensitive one, because individual protests against this practice in the 19th century had caused anti-Semitic riots throughout Ireland.

This time, instead of closing down Jewish butcher shops, the Irish government gave the Jewish community a generous grant to build a modern kosher slaughterhouse that met EEC health standards. The slaughter was so successful that it attracted millions of dollars in export orders from Israel, generating jobs for the community and tax revenues for the government.

Although Ireland is a Catholic state, the Dublin Jews run their own schools, with government support. They have their own old age home, their own social center, their own golf club (created, they say, when they were refused admission to non-Jewish clubs), and even their own boy scout troop.

Some Irish Catholics detect a certain snobbery in so much sectarianism.

"Most of our organizations were created because of our different dietary laws," explained a Jewish scout leader here. "But we are also afraid that, being such a small community, if we assimilate too much we will die out."

It is not an idle fear. A statistical study by U.S. sociologists, predicts that, if current trends continue, the Jewish community in Ireland will be extinct within 30 years.

"We say we're Irish and we're proud of it," said Rachel Gordon. "But with so few of us in a Catholic community of 3 million, we have to ask ourselves if our children have a Jewish future here."

The answer for the majority of young Irish Jews is no. Many leave to pursue postgraduate studies abroad, and never return. Other internment.

In Belfast, most Jewish families with children are leaving to escape

the continuing violence. Many resettle in British Commonwealth countries, where the culture shock is minimal.

In Dublin, emigration to Britain is rare. Most young Jewish emigrants settle in Israel.

"It's getting so that you have to move to Israel if you want to date a Jewish boy," said Barbara Cohen, a 23-year-old department store clerk. Miss Cohen has made two long visits to Israel, but says she hasn't been to Belfast in years.

"Since the troubles started in Northern Ireland, we've been cut off from the Jews there," she said. "Somehow, Israel doesn't seem as far away."

Margaret Gordy, a Paris-based journalist, wrote this article for the *International Herald Tribune*.

## Examining U.S. Drug Politics

By Joseph Kraft

WASHINGTON — In cautioning the White House staff against violation of the drug laws, the president has read rightly the case of Dr. Peter Bourne. For the case constitutes a warning.

It demonstrates that there is raging in the United States a lively drug politics, heavy with vested bureaucratic and private interests. As a result, the taking of drugs, even marijuana, cannot be treated — as some White House staffers imagine it should be — as a private affair.

Drug politics has developed around an evolving but uncertain national transition. The country is moving, in zigzag fashion and with public opinion unclear about what it wants, from absolute prohibition of drugs to control and regulation.

Already 10 states have passed statutes removing marijuana consumption from the area of criminal liability. Another 20 have such legislation in the works. Once consumption of marijuana is legitimized, it will be hard to forbid distribution, and once distribution is legalized, then a regime of control will have to be devised for other drugs.

Three different groups have an intense interest in the transition from prohibition to control. First there are the millions of marijuana

users represented by their organization lobby — the National Organization for Reform of Marijuana Laws, or NORML. The consumers favor the end of prohibition as rapidly and irreversibly as possible. That way they will be immune from legal sanction, and able to buy the stuff more safely and cheaply.

The distributors want to hold their position until prohibition is over. That way they will maintain their stake in a billion-dollar business which is already crowding out liquor with younger people. So strong is this interest that it prompts payments to those who work for decriminalization.

On the other side is a part of the narcotics bureaucracy at the national, state and local levels. The narcotics police tend to equate the end of prohibition with a kind of moral degeneracy. The more so as the evolution threatens their function in life.

The drug law enforcers have recently been fighting an all-out battle against the move away from prohibition. Grand juries in Arlington, Va. Atlanta and Miami are currently looking into cases involving distributors of marijuana and cocaine. One object of the inquiries is the use of the revenues — including possibly donations to political campaigns.

As the president's chief adviser on drug policy, Dr. Bourne was in the thick of all this contention. He favored decontrol of marijuana use, and thus became an object of suspicion to the law-enforcement people. He opposed measures to control the marijuana traffic, and thus alienated some of the consumers and distributors.

All these forces came into play

when Dr. Bourne prescribed a dose of Quaalude for his executive assistant whose identity he tried to mask under a fictitious name. I may have been an accident that an officer of the Virginia Health Department was present when the prescription was presented; also that the officer arrested the woman trying to fill the prescription.

But the special vigilance was well prepared. It was certainly no accident that details of the case were leaked by the local officials to the press.

Similarly with the stories that Dr. Bourne and other White House staff members snuffed cocaine a parties. Those stories were substantiated by NORML officials in the apparent hope of nailing what the perceived to be a waffling administration to its previous stand in favor of decriminalizing marijuana.

### No Merit

Given this contention between interested parties for the favor of an uncertain public, there is no merit in the claim that the taking of drugs is a private affair. Persons who work at the White House are not conscripted. They volunteer for the jobs, usually in the spirit of calculated self-interest.

They want the limelight, and implicitly undertake to live in way approved by prevailing morality. To assert some private reservation in midcourse is plain dishonesty. Those who seek the goldfish bowl, and then complain about being in the goldfish bowl, speak with forked tongue. So if, as widely rumored here, there is more to the story of drugs at the White House, the president will have to take very strong action.

Chairman

John Hay Whitney

Co-Chairman

Katharine Graham

Arthur Ochs Sulzberger

Publisher

Robert R. Eckert

Editor

Murray M. Weiss

Harry Beebe, Senior Editorial Writer

Managing Editor

William R. Holden

International Herald Tribune, S.A. au capital de 9,330,000 F. R.C. Paris No 23 B  
2112 181, Avenue Charles de Gaulle, 92000 Neuilly sur Seine Tel 747-12-65  
Téléc. 421218 (Herald, Paris Cables: Herald, Paris)  
Le Directeur de la publication: Walter N. Thayer  
Daily except Sundays  
In U.S.A. — Subscription price \$235 yearly.  
Second class postage paid at Long Island City, N.Y. 11101 © 1978 International  
Herald Tribune. All rights reserved.  
Commission Paritaire No 34 231

JPL 10150



## Some Must Lose in Experiments

Gambling on Research  
A Dilemma for Doctors

BOSTON, July 28 (UPI) — In a recent study showing the ability of aspirin to prevent fatal or crippling stroke in men with stroke symptoms, some volunteers died.

"They died not because they were taking a dangerous drug, but because they were taking something worthless, a placebo."

If they had been taking aspirin, they might have lived. But if no one in the study had taken the placebo, the researchers could not have found out that aspirin cuts in half the risk of death or paralyzing stroke for men who have had minor strokes.

## Taking Gambles

That, researchers point out, is the dilemma of medical research. Gambles must be taken, and some people must lose.

"It's a very tough ethical issue," Dr. Judith Swazey, who teaches ethics to Boston University medical students, said in an interview.

The 585 persons who participated in the study at 24 Canadian hospitals had one thing in common: desperation. Each had suffered at least a small stroke. Their doctors had warned them they could have a more serious stroke — and die or be partly paralyzed — at any time.

They were told about the study. Two drugs — aspirin and Anitane, an anti-gout drug — had shown signs of helping stroke patients. If the patients wanted to volunteer, they would receive either aspirin, or Anitane, or both, or a placebo.

## Coded Pills

The decision would be made by chance, and only those running the study would know how to break the code that indicated what drug was in the numbered pill bottles.

Their progress would be watched for two years by their personal doctors and by researchers at McMaster University and the University of Western Ontario.

Few people chose not to take the 1-in-4 chance of getting the placebo. Some asked specifically for the

aspirin or the Anitane, and they were kept out of the study.

Dr. Henry Barnett, who directed the study, had an idea of how the study should have turned out, based on earlier studies.

"I would have said, with no hesitation, that aspirin would be ineffective, and I was convinced in my mind that sulfinpyrazone [Anitane] would work," he said in a telephone interview. Aspirin, he said, was used only as an afterthought.

But Dr. Barnett was happy to prove himself wrong about both drugs. He said it shows the importance of that kind of study.

"If we hadn't done the study, people would have taken a drug of no value to them [Anitane] for who knows how long," he said. "It was expensive, and other drugs might be denied to them."

## "Magic Cures"

He said that "doctors and patients are impatient to get on with magic cures and not prepared to wait for scientific study, but I think it's more unethical to perpetuate myths than to submit these things to scientific scrutiny."

Dr. Swazey believes that one of the reasons few people refuse to volunteer is that sickness "makes us child-like. We want to be told what to do." She said that raises the issue of whether any seriously ill person can give genuinely "informed consent" to participate in a medical experiment.

Another ethical issue is when to stop the study. If people continue receiving placebo in a study when it has been shown that they would definitely benefit from a certain drug, that would be immoral, Dr. Swazey and others in the field believe.

But Dr. Barnett said that under rules for U.S. funding of medical grants, results are reviewed every few months by an independent team that can stop the study as soon as there is solid evidence that the drug or procedure either is strongly helping or strongly hurting the volunteers.



BUNNY BATH — Liz Jones, 11, of Bow, N.H., treads water with her rabbit, "Thumper," in her swimming pool.

Birth Risk Found Higher  
Among Smoking Mothers

WASHINGTON, July 28 (AP) — Women who smoke face the same health risks as men and also run a greater risk than nonsmokers of giving birth to stillborn or unhealthy babies, the government reported today.

In its 10th report to Congress on smoking and health, the Department of Health, Education and Welfare also said that smokers can reduce their risk of dying from cigarette-related diseases if they smoke low-tar and low-nicotine cigarettes instead of brands with relatively high nicotine and tar content.

Women who take birth-control pills substantially increase their risk of suffering a heart attack or other cardiovascular ailment if they smoke, the report said.

HEW Secretary Joseph Califano Jr. released the report at a Washington conference that has brought many traditional enemies in the health field together to discuss preventive health care.

He received sustained applause when he announced that he is sending a new smoking study to the Civil Aeronautics Board and urging it to ban all smoking on commercial aircraft.

## "Sidestream Smoke"

The study Mr. Califano cited showed that nonsmokers who suffer from recurring chest pain due to heart disease are more likely to experience angina attacks after exercise if they are exposed to the "sidestream smoke" of other smokers.

The report to Congress summarized recent findings of studies involving women who smoke and the special risks they take. It said pregnant women who smoke cigarettes significantly increase the risk that their babies will be born dead, prematurely, dangerously small or will die during their first year.

The more a woman smokes the more likely her baby is to suffer the consequences, the report said.

It cited other studies showing that nicotine is present in the breast milk of mothers who smoke and may cause nausea, vomiting, diarrhea and rapid heartbeat in their babies. Another study said that smoking can increase the amount of DDT pesticide in a mother's milk.

In a report on mortality rates for cigarette smokers, HEW said those who smoke cigarettes with less than 17.6 milligrams of tar and less than 1.2 milligrams of nicotine reduce their overall risk of dying by about

15 percent when compared to those who smoke cigarettes with 25.8 to 35.7 milligrams of tar and 2 to 2.7 milligrams of nicotine.

But smokers of low-tar and low-nicotine cigarettes still have mortality rates 50 percent higher than nonsmokers, the report said.

Smokers who quit reduce their risk of dying each year they stay off cigarettes until, after 15 years, their death rates nearly equal those of nonsmokers, the report said.

The U.S. has not lost interest in its ultimate geopolitical mission

Popular agitation against the regime has been growing since the murder six months ago of a prominent opposition newspaper editor, Pedro Joaquín Chamorro. There have been almost daily clashes between anti-government protesters and National Guardsmen. The political opposition has joined forces in a Broad Opposition Front and begun working closely with guerrillas.

Opposition leaders feel that the United States is indirectly backing Gen. Somoza by echoing his frequent calls to the opposition for talks. They say that their demand for Gen. Somoza's resignation is not negotiable.

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

## Somoza, Foes Seeking Support of Cautious U.S.

By Alan Riding

MANAGUA (NYT) — "I don't think the United States would have the nerve to ask me to resign," President Anastasio Somoza said in an interview. "No, I don't think so. If they ask me to resign, the implications would be tremendous."

So far the United States has refrained from direct intervention in favor of either the Nicaraguan president or his student opposition. But both sides took to Washington to break the increasingly violent deadlock by throwing its weight one way or the other.

This almost obsessive belief in U.S. power results from the traditional role of the United States here. It intervened militarily twice in this century to end civil wars, installed Gen. Somoza's father in power when the Marines withdrew in 1933, and has supported the family ever since.

The Carter administration has told the opposition that it will not press Gen. Somoza to resign, but neither will it go out of its way to keep him in power. It has reassured the general that it will not organize his enemies against him, but warned that it would disapprove strongly if he reimposed the state of siege in order to smother the opposition.

While Mr. Carter hopes that elections scheduled for 1980 will smooth Nicaragua's transition to democracy, Gen. Somoza is spending heavily on public relations in the United States, and opposition groups have taken to wooing U.S. diplomats here and to sending missions to Washington to meet congressmen and other officials.

Popular agitation against the regime has been growing since the murder six months ago of a prominent opposition newspaper editor, Pedro Joaquín Chamorro. There have been almost daily clashes between anti-government protesters and National Guardsmen. The political opposition has joined forces in a Broad Opposition Front and begun working closely with guerrillas.

Opposition leaders feel that the United States is indirectly backing Gen. Somoza by echoing his frequent calls to the opposition for talks. They say that their demand for Gen. Somoza's resignation is not negotiable.

Gen. Somoza has been visibly irritated by past criticism from Washington, but he now seems more confident and pragmatic, to the point of tolerating U.S. contact with his enemies. "I think that is part of the political game of normal relations," he said.

The U.S. has not lost interest in its ultimate geopolitical mission

and it has not lost interest in the way Nicaragua is going," he also said. "I think that any country that has any kind of interest in another has to follow events there very closely."

He has softened his view of President Carter's human-rights campaign. He said: "The U.S. wants philosophy, we want international cooperation. So we trade: I give them philosophy and they give me international cooperation and that's the name of the game. You never get anything free."

The "international cooperation" being given by the United States is controversial. Washington recently approved a \$12 million loan to Ni-

caragua for "basic human needs," but insisted that the credit was not intended as "an expression of political support" for Gen. Somoza. It must decide by Sept. 30 whether to sign a credit agreement for \$2.5 million in military sales in fiscal 1978.

A similar agreement was signed with Managua last September, but no funds have been released. For fiscal 1979, the State Department requested no military sales credit for Nicaragua, and a proposed \$150,000 grant for military education for Nicaraguan National Guardsmen was removed by the Senate Foreign Relations Committee.

Alfonso Robelo Callejas, leader

of the Nicaraguan Democratic Movement, a small party of liberal businessmen, feels that Washington is still fearful of breaking completely with Somoza.

"When I went to Washington recently, I told them four things," he said in an interview. "One, you needn't fear that the alternative to Somoza is communism. Two, don't think the Nicaraguan people appreciate your giving aid to the so-called social projects because it's just seen as help to Somoza. Three, the search for a democratic solution must be through the Broad Opposition Front. And four, the 1980 elections are no solution because, if he's still around, Somoza will just put in a puppet."

## Pending Electoral Reform

## New Bolivia Chief Bars Vote Before '80

By Juan de Onis

LA PAZ, Bolivia, July 28 (NYT) — Gen. Juan Pereda, Bolivia's new president, says that he would be prepared to hold new general elections in 18 months if the electoral law and registry of voters could be reformed by that time.

Gen. Pereda was installed as president by the commanders of the armed forces a week ago, after a coup. The previous president, Hugo Banzer, resigned. The national electoral court had previously annulled, amid charges of fraud, the presidential election held on July 9.

The main opposition candidates in the July 9 elections had demanded that the armed forces call new elections soon. In an interview Wednesday in the presidential palace, decorated with red roses sent by well-wishers for his 47th birthday Tuesday, the new president said that it would be impossible to hold elections next year.

Gen. Pereda observed that 1979 will be the centennial year of "the war of the Pacific in which we lost our Pacific Ocean shore." He went on: "We must not allow politics to divide us when we are seeking international support for our right to the sea."

Bolivia has been landlocked since losing its maritime provinces of Iquique and Antofagasta to Chile in 1879. The Bolivians say that they hope to force Chile to return some of the lost territory, with a corridor to the sea, through international pressure.

The new regime is eager to obtain quick recognition, particularly

from the United States. So far it has been recognized by four South American military regimes — Argentina, Brazil, Paraguay and Uruguay — and by the Soviet Union.

U.S. Ambassador Paul Boeker has not replied to official communications from the new government, which would amount to recognition. He has told persons close to Gen. Pereda informally that the United States needs clarification on three points before determining its course.

Washington wants to know what the new regime plans to do about restoring democratic government through elections, whether it will respect the rights of the opposition parties, and whether it will insure that the improvement in human rights begun under President Banzer will continue.

Reliable sources have said that the Carter administration is not insisting on a timetable for new elections.

## In Early 1980

Gen. Pereda said that the July 9 elections had been criticized for their "flaws and errors," yet they were a first step toward establishing a democratic government in Bolivia. The country has had military rule since 1969.

## Thais Aid Flooded Area

BANGKOK, July 28 (Reuters) — Helicopters took relief supplies today to an area of northern Thailand where 5,000 villagers have been evacuated from floods.

## WHERE THE WORLD MEETS

**DOLDER GRAND HOTEL ZURICH**  
Golf, tennis, swimming.  
Living in the Grand Style.  
KERNSTRASSE 65,  
8032 ZÜRICH.  
TELEPHONE: 01 22 42 31.  
TELEX: 3349 GRAND CH.  
RADUL T. DE GENDRE.

Record Kill Is Reported  
From Amoco Cadiz Spill

WASHINGTON, July 28 (UPI) — The oil spill caused by the wreck of the Amoco Cadiz off the coast of Brittany earlier this year triggered the largest loss of marine life ever recorded from such an incident, U.S. scientists said yesterday.

And they added, there are still perhaps 40,000 tons of oil on the ocean floor, causing an impact that may never be fully understood or recorded.

Moreover, workers on the shore who helped clean up the oil as it hit the beaches may have breathed heavy doses of possibly toxic fumes. Some oil components may also have blown ashore, contaminating nearby agricultural crops and entering the human food chain.

The ship, carrying 220,000 tons

of oil, ran aground one mile off shore on March 16 after engine trouble in a storm. Oil flowed from the ship during the following two weeks.

"It is the largest biological kill from any spill we've looked at," Wilmot Hess, director of environmental research laboratories for the National Oceanic and Atmospheric Administration said at a news conference.

Mr. Hess said that millions of dead mollusks, sea urchins, clams and other animals were washed ashore two weeks after the accident.

Some researchers, he said, think that the animals may not have been killed directly by the oil but by what the oil becomes when exposed to air and sunlight, or perhaps by some of the dispersing agents that the French dumped into the sea to get rid of the oil.

He said that 9,000 tons of oysters in one bay were still unusable; that there were up to 20,000 dead birds, the hardest hit being the puffin, which may be almost extinct in some areas, and that perhaps 40,000 tons of oil has sunk into the sediment, creating problems that only future study will uncover.

## Senate Votes

## Crackdown on

## 'Angel Dust'

WASHINGTON, July 28 (UPI) — The Senate voted yesterday to crack down on the increasing use of PCP or "angel dust" — a mind-altering drug that has become more and more popular.

By voice vote, the Senate approved an amendment by Sen. Lloyd Bentsen, D-Texas, which would require that the names of all purchasers of piperidine, one of the key ingredients needed to make angel dust, be reported to the Drug Enforcement Administration. The amendment was added to a bill that changes U.S. anti-drug laws to conform with an international agreement.

Sen. Bentsen said, "In spite of the horrible things PCP can do to the mind, it is growing in popularity because it can be manufactured so easily — in a back room or in the back of a van moving around town — and its sells so cheaply."

"This legislation will make it more difficult and more costly to manufacture this drug illegally, restricting its availability and cutting back on its abuse."

The Bentsen amendment also would increase the first-offense penalty from five years in jail and a \$15,000 fine to 10 years and a \$25,000 fine.

## Court Supports

## Dayton Busing

CINCINNATI, July 28 (AP) — A federal appeals court yesterday reaffirmed its support of court-ordered busing in Dayton public schools.

The 6th U.S. Circuit Court of Appeals unanimously ordered that a desegregation plan — which calls for busing of 13,000 of the district's 37,000 students — be continued for the 1978-1979 school year.

The appellate court, which has had four major reviews of the case since it was first filed in 1972, concluded that several school board decisions "perpetrated or increased public school segregation in Dayton. Defendants [the school board] have utterly failed to comply with their 24-year obligation to desegregate the Dayton public schools."

## Reisuke Ishida

## Dies, Headed

## Japan Railway

TOKYO, July 28 (AP) — Reisuke Ishida, 92, former president of the Japan National Railways, died of pneumonia at his home in Koza yesterday.

When he was appointed to head the railway at the age of 77, Mr. Ishida had said, "I feel like a young soldier." He retired in 1969 at the age of 83.

Mr. Ishida refused at retirement to accept a salary of 76 million yen (about \$380,000) that had accumulated from the time he took over. He said that he felt responsible for a major train accident shortly after he assumed the presidency. Instead of the back pay he accepted a bottle of brandy.

Howard Estabrook

NEW YORK, July 28 (NYT) — Howard Estabrook, 94, a Hollywood screenwriter who won an Academy Award for the screenplay of the 1931 western "Cimarron," died July 16 in Woodland Hills, a Los Angeles suburb.

A film-world figure since silent-screen days, Mr. Estabrook directed the 1944 Fibber McGee and Molly film comedy "Heavenly Days" wrote the script for the "Elroy Queen" TV series and other shows and was the screenwriter, sometimes in collaboration, for such films as "Hell's Angels" (1930), "A Bill of Divorcement" (1932), "David Copperfield" (1934) and "The Human Comedy" (1943).

Stanley Phillips

NEW YORK, July 28 (NYT) — Stanley Phillips, 82, who was president of the Cannon Mills Company for 22 years, died on Sunday in Montclair, N.J.

Mr. Phillips, who was head of the textile manufacturing company from 1948 until his retirement in 1969, was regarded as a leader in the textile industry. He joined Cannon in 1926.

DEATH NOTICE

SCHUMANN, MINNIE C. (nee Bruner), of Newton, Massachusetts, on July 21, 1978. Wife of the late Frank F. Schumann and member of Robert F. Funeral services private.

**PARIS-BRINDISI-PATRAS-ATHENS**  
**Train and Ship Service**  
FOR MORE DETAILS CALL: LONDON 489 0076, 482 0404 - PARIS 78 52 84, 78 03 30.  
COLOGNE 234 911 - FRANKFURT 234 088 - ZÜRICH 228 726, 211 001 - BERN 25 08 44.  
GENEVA 25 15 11, 21 55 11 - MILAN 25 34 31 - BRUSSELS 25 76 38, 25 15 38.  
ROME 42 04 01, 42 51 41 - AMSTERDAM 25 18 77 - ATHENS 223 0000, 223 01 12, 223 03 33.  
EGNATIA - APPIA - CASTALIA - ESPRESSO OLBIA

**INTERNATIONAL REAL ESTATE**

**ONE HOUR FROM PARIS**  
45 min. Ch de Gaulle airport in Roissy  
**RESIDENTIAL HOUSES IN AN EXCLUSIVE SITE**  
outstanding quality and architecture  
on beautiful grounds  
in the domain of the "Château de Bellinglise"  
surrounded by 250 hectares of woods and valleys  
with tennis, swimming pool, fishing,  
horse-riding, hunting, golf in the neighbourhood.  
visits : everyday 1 - 6.30 p.m. except Tuesday and Wednesday  
(Autoroute A 1 - exit Ressons)  
**LES MARGUERITES DE BELLINGLISE**  
60157 Elincourt-St-Marguerite  
phone : (4) 476.10.73

**Texas** Modern  
165,000 sq. ft.  
totally air-conditioned one-story building  
with additional 8,000 sq. ft. office space.  
Truck • Rail • 66+ acres  
**BINSWANGER SOUTHERN**  
A Division of The Binswanger/Herman Company  
1845 Walnut St., Philadelphia, Pa. 19103 □ 215-448-6000  
New York, N.Y. □ Charlotte, N.C. □ Columbia, S.C. □ Atlanta, Ga.  
London □ Brussels □ Rotterdam □ Amsterdam

**PRINCIPALITY OF MONACO**  
Splendid apartment decorated with taste  
For sale in  
"MILLEFIORI"  
3 main rooms, 2 bedrooms, parking, cellar.  
Panor



## Architecture

## Owning a Wright House Has Glories, Problems

By Paul Goldberger

OAK PARK, ILL. (NYT) — "The moment a workman comes in here, he takes one look around and says, 'Oh, this house is one of his, isn't it?' Then he groans and lets you know how much more work it's going to mean for him," said Jeannette Fields, sitting in the living room of her 77-year-old house.

Mrs. Fields did not have to say who "he" is — her house was designed by Frank Lloyd Wright, who lived in Oak Park from 1889 until 1909. In that period and the years just following, Wright designed or altered almost 30 houses here and in neighboring River Forest, where the Fields' house was built, originally for Arthur Davenport, in 1901.

Wright, whose work involved an immense amount of precise craftsmanship, may not be a hero to workmen, but he is to almost everyone else in the two towns, where his name overshadows even that of Ernest Hemingway, a native son. Wright houses have long attracted tourists: lately they have also been attracting buyers, often young families who are willing in some cases to pay a premium for the Wright name and in almost every case to undertake the labors of restoration. Several Wright houses have sold recently for about \$170,000, about 20 to 25 percent more than other homes in the neighborhood.

Fixing up a Frank Lloyd Wright house is largely a labor of love.

Many Wright houses, including his own home and studio complex begun in 1889, had deteriorated considerably in recent decades. Wright's own house is owned by the Frank Lloyd Wright Home and Studio Foundation, which bought it in 1975 in association with the National Trust for Historic Preservation. An ambitious restoration program is under way, and the house, partially torn up as architectural historians worked on it, is

open to the public a few days each week.

## Normally Closed

The other houses are normally closed, but this week the Oak Park Festival offered day tours featuring visits to a number of Wright houses plus other structures of historical and architectural note here.

Wright's period in Oak Park began when he was 22, a young architect working for Chicago's modern master, Louis Sullivan. Wright had just married, and he persuaded Sullivan to advance him the cash to buy a site at Chicago and Forest Avenues in Oak Park. There he built his own house, a structure controlled by a great gable and containing a number of characteristic Wrightian aspects — an arched fireplace, a sense of continually flowing space, an absence of most traditional moldings and details. Wright expanded and altered the house frequently over the years, moving his office to an adjacent studio building at one point, until he left his wife and six children and set off for Europe with the wife of a client in 1909.

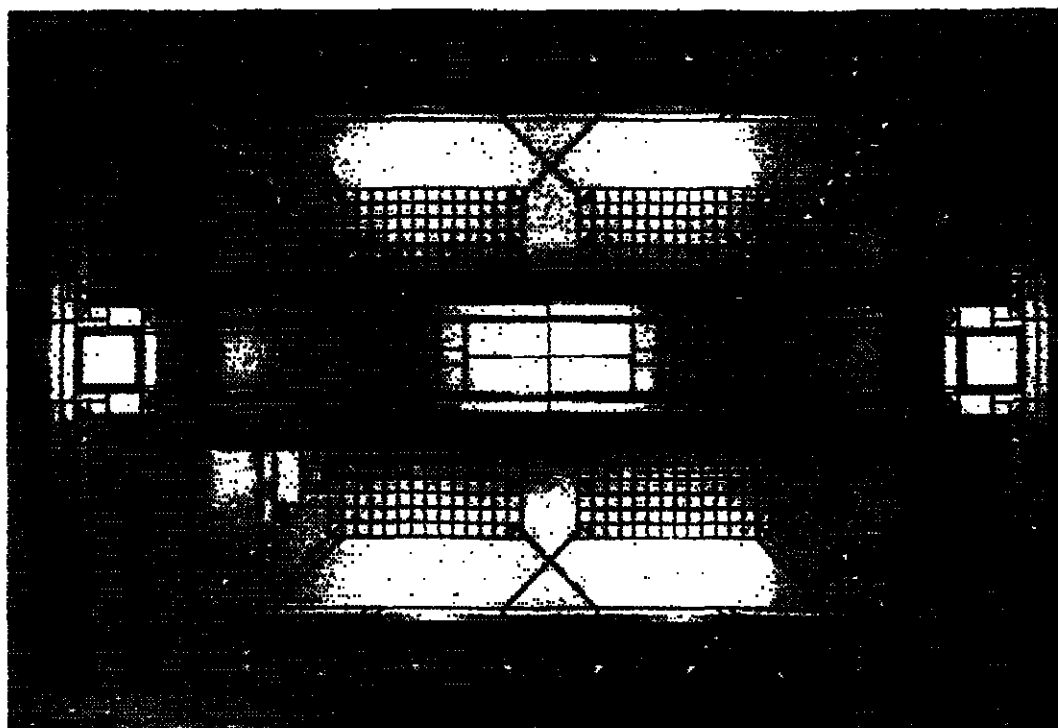
The Wright home and studio is a laboratory — not a masterpiece but a place in which a visitor can see ideas tried out without concern as to how they would fit into a coherent whole. Just a couple of doors down Forest Avenue, however, is one of Wright's best coherent wholes — the Hurlerly House at No. 318, a noble, self-assured mass of reddish brick built for a Chicago banker in 1902.

The Hurlerly House is now owned by Jack Frost, a biology professor who purchased the house in 1973, three years after moving to Oak Park in the hope of settling in a Wright house. It is one of Wright's finest prairie houses, as many of his early works were called. It gathers its many rooms under a vast, sprawling hipped roof, with rows of windows, in neat horizontal strips, tucked up near the top and a grand arched entrance.

## Major Rooms

The major rooms are on the upper floor, and the entrance is as if through a rounded tunnel. The visitor slips into a great dark mass of brick, then goes up the stairs to see the expansive living room open around him.

The house is powerful, but like most of Wright's best work, it is based on a very traditional image of the home as an enclosing, protective mass, where rooms and oc-



MINNESOTA HOUSE — Glass ceiling panel in Wright living room designed for F.W. Little.

cupants alike are drawn to the symbolic center, the hearth.

Frost found the house in reasonably good condition, although the previous owners, "while they had preserved it well, had filled it with unbelievable garbage," he said. "There were trinkets and Mediterranean chandeliers all over."

Frost has thrown out a lot of the junk and started to refurnish. The furniture Wright designed for the house has long since been lost, and rather than seek to reproduce it (although he did have a carpenter build four Wright dining-room chairs), Frost is filling the house with his own eclectic mix, which leans heavily to Victorian furniture.

"I want my own clutter, as long as it isn't too damaging to the scale or details of the architecture," he said. "I love this house, it's absolutely fabulous to live in, but I'm not a museum and I have to live my own life."

The 12-room Hurlerly house lasted for 75 years with few major repairs, but during last year's severe winter the roof, which had been resurfaced only once years before, began to leak. That presented Frost with a problem. "To do a new roof just like Wright's would be about \$20,000, but I could do a standard roof for \$3,000," he said. He decided to put a cheap roof over the old one, not destroying anything that now exists, but not spending the extra money, either — in part, he said, as a protest against those preservationists who say everything must be done in the style of Wright.

Few of even the most devoted Wrightians seem to take that literally — except the custodians of

Wright's own house, which is deliberately being restored to its pure condition. More typical is the attitude of Nancy Rosenwinkel, who lives with her children in the Mrs. Thomas Gale House, an abstract design of 1909 with floating front balconies that is considered among Wright's finest early small houses.

Mrs. Rosenwinkel and her late husband, who was an architect, bought the house in 1962 from the daughter of the original owner. It is simpler and more cottage-like than the Hurlerly house, although the strong horizontals of its front decks are an important prefiguring of

Wright's famous Fallingwater. The Rosenwinkels kept all the Wright details, but then furnished the house in modern classics — Mies van der Rohe and Marcel Breuer tables, Breuer Wassily chairs and an Italian sofa.

One curiosity of Oak Park is that there are just enough Wright houses on the streets to make more conventional houses, rather than Wright designs, look a bit out of place. But nothing is too jarring. For the great trees and broad lawns give the streetscape unity and Wright's work here is exceptionally varied. The early buildings include houses that are, due to pressure from clients, surprisingly eclectic, such as the Moore House on Forest Avenue, a curious and exuberant mix of English Tudor and Wrightian aspects.

More Wright's own is the Cheney House, built in 1904 for Edwin and Mamah Cheney, friends of Wright and his wife, Catherine. The household would later break up as a result of Wright's love affair with Mrs. Cheney. The brick house is one story, low and spread out across its suburban site. A brick wall encloses a front terrace, and inside, the main rooms flow together to create an almost entirely open plan, a radical gesture indeed for 1904.

The house was bought last December by Dale Smirl, a lawyer. It is in superb condition — a new kitchen was installed in a style sympathetic to the house eight years ago by Wright's son, Lloyd, and the worst problem Smirl said he has is an "arrogant" heating bill — a problem other Wright owners cite as well.

## China Building Big Restaurant

TOKYO, July 28 (AP) — The Chinese are building the world's largest restaurant in Peking to meet growing demand for Peking duck and to earn foreign currency, a Japanese news report from China said today.

The Kyodo News Service said that two restaurants now specializing in Peking duck, each with a dining capacity of 200 persons, can hardly satisfy the growing appetite of visitors to Peking. Some clients have to wait more than a week after making reservations.

The report said that a seven-story restaurant is under construction near Peking's Tian An Men, the Gate of Heavenly Peace. The new dining pavilion with 2,000 seats is to open early next year, Kyodo said, and will have private rooms and large tables that can accommodate hundreds of diners.

## Theater in London

## Head-On Approach to Hess and History

By John Walker

LONDON, July 28 (IHT) — Rudolf Hess has never been a comic figure. Absurd, perhaps, particularly in his fawning devotion to Hitler and his belief that he could arrange a peace between Germany and Britain by making a daring flight in a Messerschmitt to Scotland, where he announced that it would be necessary to replace the Churchill government before negotiations could begin. He is, now, at least, pathetic in his solitary confinement at Spandau.

Michael Burrell, the writer and performer of a one-man show, "Hess," at the Young Vic Studio, nevertheless calls his play a comedy. Burrell, for his own inexplicable purposes, assumes that Hess has been brought to Britain for medical treatment, escaped his guards and rushed to the theater to confront the first group of strangers he has met in more than 30 years in order to justify his life and to demand the justification for the way in which he has been treated.

It is a theatrical device flimsy in itself (would even Hess, making contact with people other than his guardians for the first time since World War II ended, do nothing

but harangue them for two hours?) and also unfortunate in the restrictions it places upon Burrell. For he is forced to proceed in a realistic manner, one that only allows him to provide a surface impression of Hess and does nothing to explain why he should wish to impersonate the former deputy fuhrer.

Burrell himself finds neither comedy nor irony in the man. The nearest approach to a joke is when Hess puts on a Nazi officer's jacket and buttons it up wrongly. Otherwise, he offers either a ranting fanatic or a self-pitying old man ("Christ touched the lepers but you don't allow anyone to touch me"), rambling on about the past or offering the sort of comments on modern society which confirm that Hess was a man of no originality or profundity.

Burrell is a good actor and gives a good performance of a gaunt, slightly crazed old man, suffering from a stomach ulcer, but — no more than in his writing — provides no particular insight into what it must have been like to have been Hess or what it would be like to be confronted with him. He speaks of the man as being anchored in dead history, and all the

play reveals is the inadequacy of his head-on approach to make dead history alive again.

At the Hamstead Theatre Club, "Beyond a Joke" is also labeled comedy and provides mostly embarrassment. Any doubts that the intimate revue is dead are dispelled by this student effort, which would be better titled "The Fringe," since in parades the feebleness of undergraduate humor which existed until a generation of university wits — Peter Cook, Dudley Moore, Alan Bennett, Jonathan Miller — provided tougher, funnier entertainment.

The show is built around the talents of Rowan Atkinson, a small, frenetic performer who can pull the most amazing variety of funny faces and does so, all the time. I have no idea what he actually looks like, for there was not one moment, at least up to the interval, when I fled in agitation, when he was in repose. He would have been a wow in silent films. In these more vociferous times, he might be amusing if he had material more original than this collection of "kitchen" about cynical schoolmasters and incompetent seducers.

## 'A Major Discovery'

## Inlaid Eyes of Easter Island Figures

NEW YORK, July 28 (NYT) — A Chilean museum official, analyzing bits of old stone and coral found recently on Easter Island, which belongs to Chile, has concluded that the centuries-old stone figures of beetle-browed human beings that dot the island originally had huge inlaid eyes with red pupils. A New York museum official has reported.

Joseph Veach Noble, director of the Museum of the City of New York and author of two books on ancient art, said that Sergio Rapu, director of the archaeological museum on the island, had briefed him about the pieces of stone and coral when Mr. Noble led a group of staff members of U.S. museums on a visit there last month.

"This is a major discovery," Mr. Noble said. "Until now, we had an incomplete understanding of how the great Easter Island heads appeared."

Mr. Rapu's excavators were digging early last month through drift beach sand at the site of a buried statue platform known as Ahu Nau Nau. At a depth of about 20 feet, the excavators found 15 fragments of carved white coral, three

or four of which fitted together to form a 14-inch curved object with a hole in its center, and a 5-inch-wide red lava disk.

Mr. Rapu was studying the 14-inch object, whose significance was unclear, when he thought of the disk. He inserted the disk into the cavity at the center of the object and cried, "It's an eye!" and hastened to the site of the excavation, where the object was found to fit

into the left eye socket of one of the smashed figures.

Mr. Rapu has concluded that the coral fragments were pieces of at least four other eyes, which all of the carved heads, which have eye sockets, must have been fitted with such eyes. It is considered possible that the red lava disk may have actually been carved for insertion into another carved coral eye, not the 14-inch one that was assembled.

## Entertainment in New York

NEW YORK, July 28 (IHT) — This is how The New York Times critics rate new films.

"The Cat From Outer Space," directed by Norman Tokar, "turns out to be a quite ordinary-looking male cat wearing a crystal collar." Tom Buckley says. At first, all Jake the cat wants is to repair his spaceship "and get back to pussycat heaven." But instead, he falls in love and tangles with the Pentagon. Jake's collar enables him to open doors and windows, levitate his friends, freeze his enemies and speak English. The movie, Buckley

adds, "is likely to keep the under-15s amused."

"Replay," directed by Michael Drach, is about a "high-strung sophisticated" named Cecile (Marie-Josée Nat), who is recovering from a car accident brought on by a "slow motion" according to Janet Maslin. The recovery of love for her husband, whom she doesn't even recognize, "plays second fiddle to the secret of Cecile's past." But, Maslin adds, "the secret, when it is at long last revealed, merely serves to place everyone in a very unflattering light."

"Foul Play," starring Goldie Hawn as a wide-eyed librarian whose life is perpetually in danger, "starts out promising genuine wit and originality only to fall back on more familiar tactics after a half hour or so," says Janet Maslin. Goldie Hawn meets Chevy Chase early in the film and they seem "all set to make beautiful music together," but the ambience turns more thriller than comedy in the hands of writer-director Colin Higgins. Maslin adds that "there are enough good scenes to keep things jumping."

"International Velvet," Bryan Forbes' sequel to Clarence Brown's classic 1944 film, "National Velvet," "is a racking experience for any reasonably self-possessed adult, continually pulling the viewer between a sneer and a tear," Vincent Canby says. "Eerily talented, immensely appealing," Tatum O'Neal, who plays an adolescent with an obsessive interest in horses, compensates for the photography — "so lyrical you may feel airsick" — and a soundtrack that "should be labeled with a skull and crossbones."

## Beer Drinking Under Attack At U. of Mass.

AMHERST, Mass., July 28 (UPI) — Beer drinking is under attack at the University of Massachusetts.

A task force of students and administrators, worried about the number of campus parties that are getting out of hand, has drawn up a list of "common sense" guidelines on the use of alcoholic beverages.

"We're trying to cut down on parties where the intent of the host, as well as the guest, is just to get blitzed," Dr. David Kraft, senior physician at the school's mental health department, said.

The guidelines, which Dr. Kraft called among the most comprehensive in the United States, limit the amount of beer at a campus party to one keg per 40 people — or the equivalent amount of wine or liquor. That is an average of four drinks per person.

The policy is designed to educate students to the uses and abuses of alcohol and "to make sure the planning going into a party is sensible so the chance of things getting out of control are minimized," he said.

Hosts are required to serve attractive food and nonalcoholic beverages to encourage nondrinkers to attend parties, allow drinkers to space out their drinks and slow down the absorption rate of alcohol.

How to pamphlets, giving tips on how to get a drunk to stop drinking, will be given campus party-planners by dormitory resident assistants, who will assume responsibility, along with other school officials, for enforcing the policy.

Dr. Kraft said that it is also hoped that the policy will help end property destruction by inebriated party-goers and curtail arrests of students charged with driving under the influence.

## PARIS AMUSEMENTS

CINEMAS - THEATERS - RESTAURANTS - NIGHT CLUBS

**FETE AL'ALCAZAR**  
REVUE ENTIEREMENT NOUVELLE  
DINERS 21H  
SPECTACLE 23H  
62, RUE MAZARINE. 329 02 20. Parking  
designed by Dick PRICE

PARIS: Ambassade (a.v.) - Saint-Germain Studio (a.v.) - Le Francois - Richelieu-Gaumont - Wapler-Pothé - Montparnasse-Pothé - Gaumont-Convention - La Fayette - Gaumont-Gambetta - Bosquet

The greatest adventure on earth!...  
**CAPRICORN "ONE"**  
ELLIOTT GOULD JAMES BROWN BRANDY VACCARO SIM WINTERSON OLIVIER SIMPSON  
NORIN BLACK  
CAPRICORN ONE  
WHEN I'M IN PARIS... 花子... SINCE 1927  
I NEVER MISS THE HANAFUSA STEAK HOUSE OF JAPAN  
COOKED BEFORE YOUR EYES BY OUR EXPERTS DAILY NOON - 1:00 AM  
SPASSAGE DE LA PETITE BOUCHERIE 41 (Métro St. Germain) 329.02.20

**WORLD FAMOUS BAL DU MOULIN ROUGE**  
PLACE BLANCHE  
LISSETTE MALIDOR  
FOLLEMENT  
Extravagance de Réve  
MINIMUM PER PERSON  
TAXI AND TIP INCLUDED  
128  
198  
Dinner suggestion  
with 1/2 bottle  
champagne or 2 drinks  
DINNER-DANCE AT 8:30 P.M.  
TICKETS AT 10:30 P.M.  
THE SHOW AT 11:30 P.M.  
CALAVADOS BAL 95-98  
RUE 27-28  
JOE TURNER - LOS LATINOS  
Snack Bar, Candlelight Dinners, Lunch  
40 Av. P. de la Seine (Métro George-V)  
OPEN DAY AND NIGHT-Air Cond.

**LIDO**  
NORMANDE 116 CHAMPS-ÉLYSÉES  
NOUVELLE SUPER-REVUE  
"Allez Lido"  
20 H DINER DANSTANT  
1/2 champ. dinner suggestion  
22 H 30 CHAMP. REVUE  
04 45 20 SPECTACLE  
Métro: SÉBASTIEN at opposite

**THEATRE DE PARIS**  
56th floor.  
Menu until 9 P.M.  
Daily until 2 A.M.  
PANORAMIC VIST  
56th floor enclosed  
58th floor open terrace.

**FOLIES BERGERE**  
the sumptuous new show  
**FOLLY I ADORE YOU**  
32 RUE RICHER, 770 02 51-770 98 49  
CLOSED MONDAY

**JARDIN**  
8:30 p.m.  
DINNER  
DANCE  
and  
FASHION  
SHOW  
10:30 p.m.  
and  
0:45 a.m.  
SHOW  
135 F  
1/2 champagne  
Ballets - Animals  
FOR THE FIRST TIME  
IN EUROPE  
CIRCUS IN CABARET  
5, Av. Gabriel Péri 81 Rte 380.38.00 et agences

**TAKE THE FASTEST ELEVATOR IN EUROPE**  
to get to the top of the  
Tour Montparnasse  
RESTAURANT  
le ciel  
de paris  
56th floor.  
Menu until 9 P.M.  
Daily until 2 A.M.  
PANORAMIC VIST  
56th floor enclosed  
58th floor open terrace.

**ST. JOHN'S ENGLISH-SPEAKING SCHOOL**  
BRUSSELS  
International, Ecumenical, co-ed. day and resident school, kindergarten through 12th grade; American Academic Program including Advanced Placement courses together with G.C.E., O level and International Baccalaureate. French second language; extensive European student travel, strong athletic and extracurricular programs. Bus service covering general Brussels area.  
FULLY ACCREDITED BY THE MIDDLE STATES ASSOCIATION OF COLLEGES AND SECONDARY SCHOOLS  
NEW! Attractive Boarding facilities for High School students commencing September 1978.  
ST. JOHN'S SCHOOL  
Drewe Richelle 146, 1410 Waterloo, Belgium.  
Telephone: (02) 354.11.38/39.

**SCHILLER COLLEGE**  
Europe University  
Heidelberg London Paris Strasbourg Madrid  
Write: Schiller College, Admissions  
69 Heidelberg, Friedrich-Ebert-Anlage 4, Germany

**TASIS England**  
TASIS ENGLAND is a London Area, coeducational, American School for boarding and day students, grades 7-12. Twenty acre campus; highest college preparatory academic standards; extensive electives, sports, and travel. Transportation from central London available. For catalog, contact: Admissions, TASIS England Thorpe, Surrey. Tel. Chertsey (09328) 64844.

**ST. GODRIC'S SECRETARIAL AND LANGUAGE COLLEGE**  
Resident and Day Students.  
2 ARKWRIGHT ROAD, LONDON, NW3 6AD.  
TEL: 01-435 9831.

**U. S. A. COLLEGE DEGREES BY MAIL**  
Bachelors, masters, doctorates.  
Legal, inexpensive, fast.  
Free details: Dr. John Bear,  
2150 Fremont Street, Dept. 61978  
Oakland, California 94612.

**THE AMERICAN COLLEGE OF BARCELONA**  
SPAIN  
A 2-year college granting the A.A. degree: A cosmopolitan education in Spain's most European city. Small classes - individual attention - easy transfer to U.S. colleges and universities. V.A. approved program - family living plan.  
For information:  
ACB, Via Augusta 122, Barcelona 4, SPAIN.  
Telephone: 218.48.97.

**AMERICAN SCHOOL of Mallorca**  
Coed day 11-12 and boarding 7-12. Small classes, expert teachers. Individualized instruction yield excellent educational results. College entrance preparation, industrial arts and vocational courses. SAT and ACT Testing Center, Year-round sailing, tennis and swimming facilities. Scholarships available to worthy students.  
Tel: 67.58.50 - 67.58.51. Cable: AMKSOOL. Telex: 68667.  
Address: American School, Calle Oratorio Portals Nous, Mallorca.

**AMERICAN SCHOOL OF LAS PALMAS**  
Classes taught in English with Spanish, French and German available. Boarding facilities.  
Apply: Director of Admissions American School of Las Palmas  
Apto. 15, Oficina de Correos Torre Alto, Las Palmas de Gran Canaria, Canary Islands, Spain.

**LEARN FRENCH**  
ON THE FRENCH RIVIERA - Near NICE and MONACO  
All levels. All ages. Small classes. Excursions. Boarding and Day School for Adults. Open all year round. A non-profit institute recognized by the French Ministry of Education. 4 or 3-week courses begin Oct. 2, Oct. 30, Nov. 27, 12-week intensive course begins Oct. 2, 1978.  
English brochure: CENTRE MEDITERRANEE D'ETUDES FRANCAISES  
06320 Cap d'Ail (France). Phone: (93) 06.81.54.

**Franklin College Switzerland**  
6900 Lugano Tel. 091 22 85 95  
Switzerland's only accredited independent American College  
The International Imperative in Education

**PRIVATE SCHOOLS IN SWITZERLAND**  
For all information please apply to our Educational Adviser: Mr. Paul A. Mayor,  
SCHOLASTIC SERVICE "TRANSWORLDIA" - GENEVA  
2 Rue du Vieux-Savoyard. Phone: 44 15 65.

**THE AMERICAN SCHOOL IN SWITZERLAND**  
Highest American academic standards. Co-ed. boarding and day. Grades 7-12 and year of post graduate study in Europe. College testing and guidance. AP courses. Faculty/student ratio 1:8. Courses related travel, St. Moritz term. Excellent facilities, diversified activities, extensive sports program.  
Write: Director of Admissions-TASIS, Ext. 20  
CH-6926 Montagnola, Tel: Lugano (091) 546471

**BOOK YOUR SPACE NOW**  
for the next  
**SPECIAL EDUCATION DIRECTORY**  
which will be published on  
September 9.  
For information, or to place an advertisement,  
contact our office in your country  
(listed in Classified Advertisements)  
or  
Francoise Clement,  
International Herald Tribune,  
181 Avenue Charles-de-Gaulle,  
92200 Neuilly-sur-Seine, France.  
Tel: 747.12.65. Telex: 612832F.

JPY 100/USD



## Art Market

## Chinese Sales Reveal A Growing Contrast

By Soren Melikian

LONDON, July 28 (IHT) — In the past three months, the gap which traditionally divided the major from the minor sale has widened.

The latest illustration of this trend was provided by Chinese art. Within two weeks Sotheby's held two auctions representing the upper and the lower end of the market. On July 11, the upper end shot through the roof, doubling, sometimes tripling, the usually accurate estimates given by Julian Thompson, Sotheby's director of the department of Chinese works of art. Then Tuesday, the lower end of the market was sluggish and even depressed in some areas.

An explanation for the July 11 success was the intense buying by Japanese dealers and collectors. They have been playing a major role for years and with the current strength of the yen, they are getting close to having a monopoly. The auction seemed to be an arena for a joint performance by collector Matsuoka and Tokyo dealer Hirano. Between them they mopped up the early blue-and-white stoneware of the 14th and 15th centuries, a category of increasing scarcity.

The star in the blue-and-white group was a large dish, more than 18 inches in diameter, with an unusual decoration. The central area is painted with two long phoenixes among chrysanthemum blossoms which are framed by a band of Buddhist emblems — a unique combination in blue on white ground, the catalog pointed out. The scrolling design on the rim, it went on, is equally rare. None of this would carry much weight with Western buyers when pricing the piece, at any rate not to the point of paying £165,000, the price given by Matsuoka.

**Expressive**  
Presumably, the grimace of the phoenixes, handled in an expressive style much attuned to Japanese tastes, and the chrysanthemums, which became an obsessive feature of Japanese ornament, helped raise the price.

Another dish, with a more common vine-branch pattern in the center and a wave pattern on the rim, was again knocked down to

Matsuoka at £48,400 — twice the estimate — while a third piece of the Hsuan-Te period (1425-1436), very fine in quality, went to Tokyo dealer Hirano for £38,500 — again almost twice the estimate. So insignificant was the Japanese thirst for blue-and-white works that a fourth piece matching a similar one in the Matsuoka collection was bought by Matsuoka in person at a thumping £19,600.

The Matsuoka-Hirano duet continued in other fields whenever top pieces came up. There was a rare jar, 7 1/2 inches high, of the so-called Tz'u Chou type, painted with a peony spray in brown enamels over a white slip under the ivory glaze. Hirano gave £85,800 for it, three times Julian Thompson's estimate and 10 times the price a similar piece fetched at the Palais Galliera two years ago.

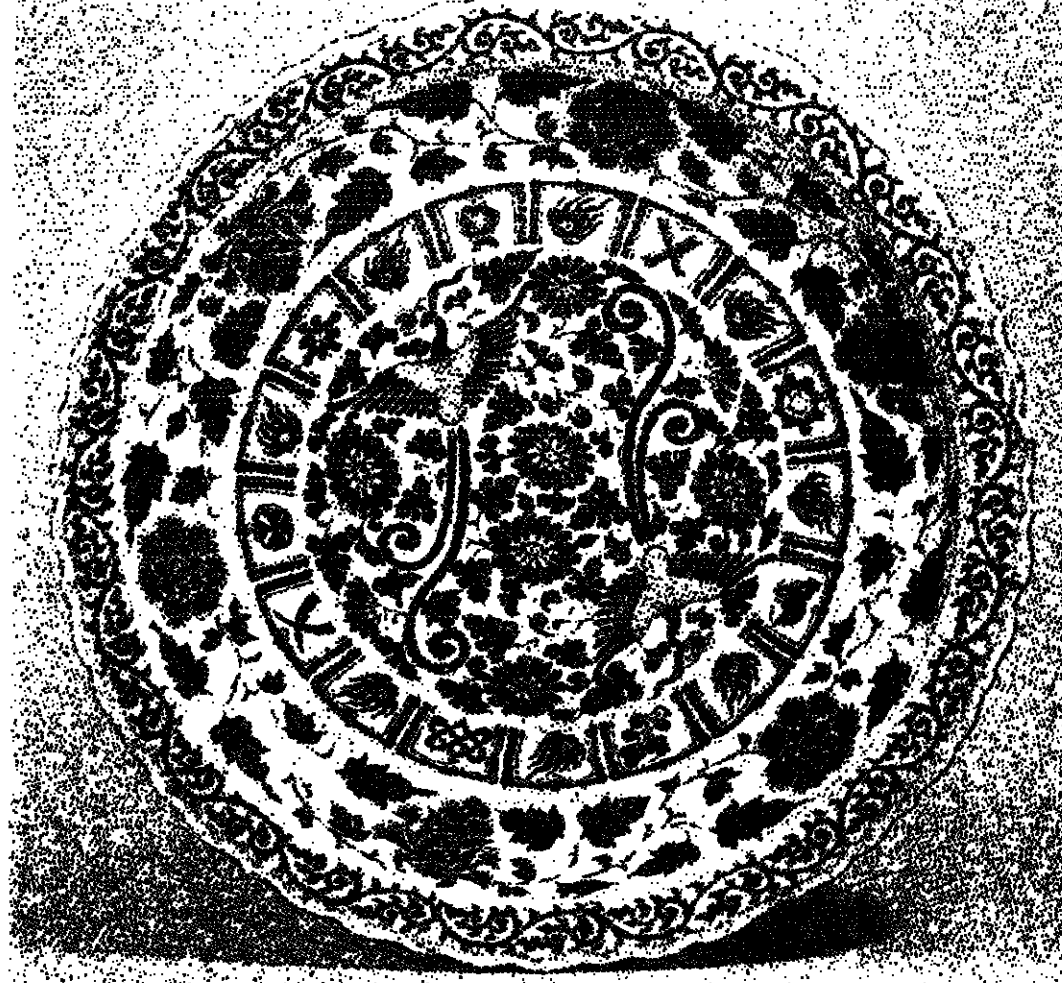
His appetite thus whetted, Hirano could not resist the other important Tz'u Chou vessel in the sale, a vase which can be dated to the late 10th century on the basis of a similar piece excavated from a datable tomb and published in China in 1975. Rare but not unique, it had a clean break around the neck. Hirano did not mind. At £154,000, his winning bid trebled the wildest estimates.

## Bowl and Flask

Hirano again netted a fine blue-glazed pouring bowl of the 8th century for £5,060 — 50 percent over Sotheby's estimate — but Matsuoka scored seconds later by hanging on to a pilgrim flask of the same period with a molded decoration of a phoenix dancing amid stylized scrolling foliage. It cost him £14,300 — twice the estimate.

Indirectly, the Japanese yardstick dictated the price of £121,000 paid by London dealer Giuseppe Eskenazi for a very large Tang horse, 31 inches long, of the 8th century. Visible breaks on all legs — to be expected in large-size pottery pieces — make the price more impressive still.

An interesting exception to the Japanese domination was the intervention of Iranian dealer Reza Atighchi, who bought another Tang horse of great beauty, despite some visible restoration work, for



AUCTION STAR — This large, blue and white dish made £165,000 recently at Sotheby's.

£66,000, and one of the best Ting-Yao bowls with a dragon incised under the ivory glaze for £17,600.

As will happen in such a context, most of the prices were inflated, even those of indifferent works. When an emotional dealer with limited capital sees a superb Tang horse go for £121,000, he momentarily feels that £7,700 is not too much for a moderately desirable horse with an unattractive glaze. And so it was that a big Tang beast with a tail regrettably reminiscent of a broomstick fetched exactly the price predicted — and desired — by Sotheby's.

The interesting phenomenon is that the heat generated by such a sale will subside as quickly as it rises. Last Tuesday, at the banal sale of Oriental art held at Sotheby's, there was little to suggest that

a commotion had taken place two weeks before.

Famille Rose vessels which have been giving signs of weakness in the past three months failed to pick up. A chamber pot of the Chien Lung period (1735-1796) was well below its estimate at £77. And so was a small ewe and cover of the same period at £38.

More significant was the failure of southern Chinese wares made for export to Southeast Asia. Despised by the Chinese and Japanese as export ware, there is no reason why they should not appeal to Europeans — or Iranians, who were active on July 11. They are neither imitative nor substandard, and can occasionally be quite good; they simply reflect the indigenous aesthetics of southern China untouched by court fashions.

A big honey-colored 16th-century

jar of the type known as Martaban was ludicrously inexpensive at £50 on Tuesday. A large dish of the same period from Swatow with modern-looking sprays in white slip under blue glaze was bold and would fit the setting of a collector of 20th-century masters. At £1,102, it was underpriced in view of what happened on July 11. It went — as such pieces mostly do — to a Dutch buyer with an interest in the Southern Seas area. There just aren't any collectors for these wares.

All this means that a supereasy will now induce even outsiders to bid sky-high but, once its magic goes, the same outsiders will not continue.

It is a new phenomenon, partly reflecting the impact of modern advertising and publicity, which auctioneers and art-market professionals must reckon with in the future.

## Design in Ireland

## The Irish Approach to Today's Needs

By Ada Louise Huxtable

DUBLIN, July 28 (NYT) — Contrary to popular belief and enduring clichés, Irish art and design is not limited to Celtic masterpieces or Waterford glass. The first image has been magnificently reinforced by the superb show of Irish art treasures that has been touring American museums — not without mixed feelings about their absence in Dublin — with its dazzling displays of golden torques, brooches and buckles and such marvels as the Books of Kells and Durrow.

The second image is the result of a seemingly bottomless demand for glassware of conventional, traditional design and consistently high quality which keeps the Waterford factories humming. Beyond that, and a few other standard items such as Belleek china, is the welter of tourist offerings that look as if they might have been made by leprechauns or knitted by Mother Macbride.

Which brings us to the Kilkenny Design Workshops. Unless you are well informed about what is going on at the top levels of design on an international basis, you will probably be taken by surprise by the Kilkenny Design Workshops. A visit to the Kilkenny Design Center, a retail shop on Nassau Street in Dublin, or to the shop that is part of the Kilkenny headquarters about 75 miles from Dublin, is a revelation of sophisticated design products for the home that make most other "good design" efforts seem limited and sterile. This is a level of low-key superiority usually associated with Scandinavia.

No leprechauns here; just the best Irish designers and artisans working in collaboration with both local and foreign manufacturers (the number of foreign-owned plants and multinational corporations in Ireland is rising) under direct government sponsorship. These are neither the artsy-craftsy, chunky handiworks often associated with crafts promotions, nor the cerebral "museum" interpretations of "good design" of intellectual taskmasters.

## Rational Approach

Kilkenny's products suggest a rational, relaxed approach to today's tastes and needs; they will fit equally well in a city penthouse or a country place. They have nothing to do with this year's decorating trends; they are not on the same planet with Italian superchic. Their character is a gentle excellence and their range is the broad field of mass manufacture as well as individually made items.

Whatever their source, they stress a subtle sensuousness and a knowing feel for texture, color and form. It is all lovely in the hand and easy on the eye.

You can drift in rainbow clouds of mohair, delight in pottery, porcelain, glass and silver of suave simplicity, discover cookware and kitchen utensils of comfortable elegance. There is a luscious range of fabrics from bedcovers and table linens to sweaters and scarves; there are baskets and woodenware and objects of leather and straw. To see these things is to covet them instantly.

And as if that weren't enough, on the balcony of the shop (a space nimbly transformed from "barebones" commercial square footage to two levels joined by stairs in mirrored cylinders by the architect

## Priest Ousted in U.S.

TRENTON, N.J., July 28 (AP) — The Rev. Joseph Biehoff, a 63-year-old Roman Catholic priest who abolished Bingo games, dismantled church clubs and dropped some religious services, was ousted yesterday from his St. Gregory the Great Parish in Hamilton Township.

## White House Under Survey

WASHINGTON, July 28 (UPI) — The Geodetic Survey yesterday began a three-day study to see if the White House is sinking.

Jack Stringer, a spokesman for the agency, said a that survey is taken every four years to determine whether there has been any slippage of the White House, which like most of Washington is built on a swamp.

All the historic monuments in the capital are surveyed every four years, Mr. Stringer said, and disclosed that in the year 113053, the Washington Monument is expected to disappear.

## MANPOWER SUPPLY

We supply all sorts of skilled and unskilled personnel from India, Sri Lanka, Pakistan and Bangladesh for all your industrial and building construction projects in the Gulf Area or anywhere in the world.

For all your requirements please contact:

## AL VAKIL MANAGEMENT SERVICES

P.O. Box 4495, Dubai, United Arab Emirates.  
Cable address: "GULSHAN DUBAI." Telex: 6200 Vakil Dubai.  
Guaranteed services assured.

## Archaeology

## Wealth of the Past Found in Prague's Subway Digs

By Betty Werther

PRAGUE, July 28 (IHT) — Excavations for the new Prague subway system, which in some places go as deep as 53 meters, are unearthing a wealth of archaeological finds.

Something significant is turned up on virtually every building site here, but the Metro excavations have been particularly bountiful. For this reason, teams of archaeologists, under the direction of Dr. Vladimir Písa, who is in charge of all discoveries made in the course of public works, carry out a thorough investigation of all sites before work begins.

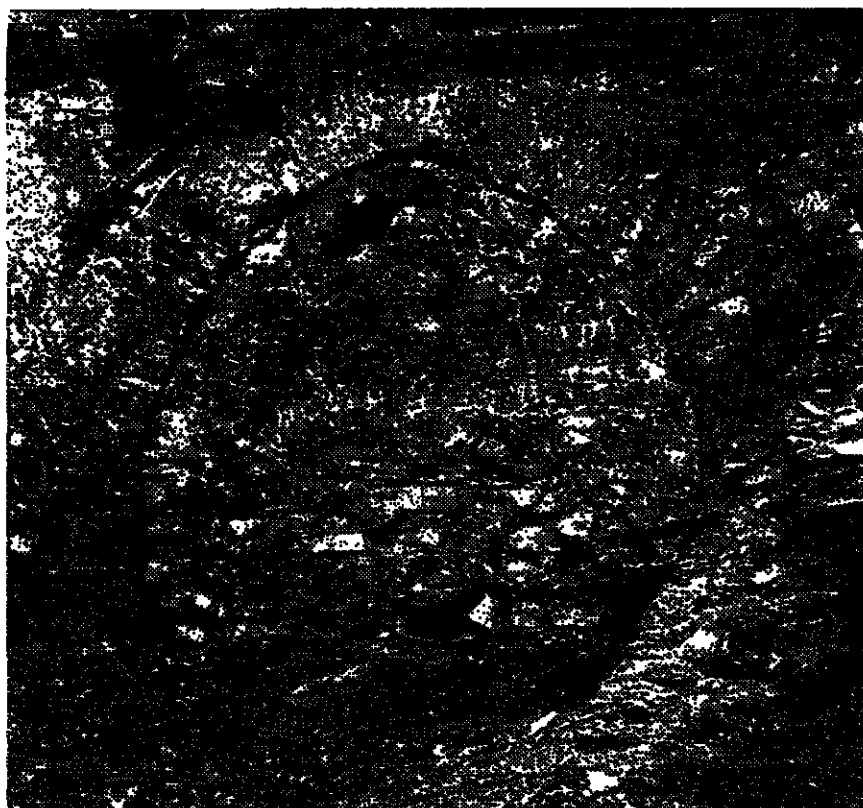
The city's archaeological "laboratory," near the Old Town Square, is a beehive of activity as young technicians catalog, restore and reassemble a wide variety of objects. The teams have found examples of ancient pottery, earthenware vessels and glass, including tall, slender, 13th-to-14th-century champagne, or "fruit," glasses embossed with raised dots for easier handling.

The best examples of glass found during the diggings will be on view in a special case built into the Old Town Square (Staromesto Náměstí) Metro station when a second line is inaugurated on Aug. 12. A first 74-kilometer-long section was opened in 1974.

## Bridge and Moat

Many ancient landmarks have also been uncovered. At the bottom of Václavské Náměstí (Wenceslas Square), for instance, tramways have always stopped at "Mustek" (little bridge), which, until the 14th century, had been an arched stone construction leading from the Old Town fortification across the adjoining moat. When Holy Roman Emperor Charles IV, a great urban-

Ancient stone bridge that was blocked up in medieval times was recently uncovered during excavations for an extension of the Prague Metro.



ist, made Prague the center of the empire and began laying out the New Town in 1348, the bridge was buried and the moat filled in. A new road, now Na Příkopě, built on top of the hill, was always called Graben (trenches) by the German residents of Prague even though all visible traces of the moat had long disappeared.

The unearthing of the little stone bridge during excavations, which also uncovered part of the bottom of the old moat, is timely since the

death of Charles IV, 600 years ago (in 1378) is being commemorated this year. Like the glassware, the bridge will be visible in the new "Mustek" Metro stop.

The finds are not always as spectacular as they are made out to be in the rumors rampant among the people of Prague, for whom the Metro is a major topic of conversation, if only because for years it has made a shambles of many parts of the city. The visitor is informed, for instance, that a "complete kitchen" was discovered under the National Museum.

At this, Dr. Písa laughs and points to two sculpted tiles. "They may well have come from a kitchen," he said. "But jumping from them to a full-course meal is a big assumption."

## 2 Women Win Bridge Title

TORONTO, July 28 (AP) — Marilyn Johnson of Houston and Mary Jane Farrell of Beverly Hills, Calif., have won the life master pairs bridge championship of North America, becoming the first pair of women ever to take the title.

They scored 1,021.5 points in the event that ended here Tuesday night to finish 2.5 points ahead of Ron Feldman of Berkeley, Calif., and David Sacks of Los Angeles.

The life master pairs and preceding events have been played since 1930, and up to now there has not been a pair of women as winners.

The women held a lead going into the final round after being in sixth position following two days of play. They headed a field that began with 546 pairs Sunday, was cut to 180 pairs Monday and reduced to 60 pairs for the final round.

## CHURCH SERVICES

FRANCE — PARIS  
**AMERICAN CATHEDRAL**  
Episcopal-Anglican Intercommunion  
SUNDAY SERVICES  
9:30 and 11:00 A.M.  
21 Ave. Georges V, Paris-16  
Tel. 5541 1011 (Métro: Alma-Matignon)

**ST. GEORGE'S ANGLICAN CHURCH**  
SUNDAY: SUNG EUCHARIST 10:30  
with Sunday School & Credo  
(at 4 Rue de Valenciennes, Paris 10e)  
(Métro: Les Halles, Boulevards des Filles-du-Calvaire, 63,821)  
Information about other services from the Chaplain, the Rev. J. Livingston, 7 Rue Auguste-Voqueron, 10e 720,251.

**AMERICAN CHURCH IN PARIS**  
WORSHIP SERVICE 11 A.M.  
for all Christians  
66 Quai d'Orsay (Tel. (Métro: Invalides, Alma-Matignon, 63, 81 at door)  
Tel. 551,38,90  
Edwin H. Tuller, Pastor

FRANCE — PARIS  
**EMMANUEL BAPTIST CHURCH**  
86 Rue de Valenciennes, Paris 10e  
Sundays: 10:30 A.M. & 5:15 P.M.  
Tel. 966,26,32

GERMANY — BERLIN  
**ENGLISH LANGUAGE SERVICES** at Kaiser-Wilhelm-Memorial Church in the Chapel on Karlstrasse  
Sundays: 10:30 A.M. & 5:15 P.M.  
Tel. 966,26,32

GERMANY — FRANKFURT  
**St. Mary's R.C. Parish Church & Rectory**  
in Oberursel Am Ende, 33  
English Masses in Oberursel  
Sundays: 9:30 A.M. & 11:30 A.M.  
English Mass in Frankfurt: Liebfrauen Kirche  
near Hauptwache 11:30 P.M.  
Priest Fr. Ernest Beck, Phone 56171,5247

GERMANY — MUNICH  
**CHURCH OF THE ASCENSION**  
(Anglican) Holy Communion 11:30 A.M.  
Sundays: nursery, ch-school, coffee fellowship, Synchthon case 4 Tel. 648185

GREAT BRITAIN — LONDON  
**AMERICAN CHURCH IN LONDON**  
Interdenominational All welcome  
Tottenham Ct Rd (near Wood 4)  
Telephone: 627,48,58  
SUNDAY WORSHIP 11 A.M.

## INTERNATIONAL CAREER OPPORTUNITIES

## CONSTRUCTION MANAGER

who will be put in charge of a LARGE-SCALE PROJECT.

What do we mean by large-scale project? One simple answer would be enough: the total amount of our contract will run to several hundred millions in U.S. Dollars. Close to 5,000 people will find jobs in this tremendous undertaking.

What do we mean by first-rate construction manager? The size alone of this project prompts us to look for a top level professional with solid and successful experience in building site management. With notably, five years practical job experience abroad.

We need a self-assured individual able and willing to control, to check and to coordinate all aspects of his chosen field: building site management. He will also have to be thoroughly familiar with civil engineering, and with both mechanical and electrical assembling.

Another must: ten years practical experience, at least, in large industrial units engineering. The prospect of these very high responsibilities will certainly not frighten our man, on the contrary. He will perform as the

highly effective right hand our Field Manager is expecting. In addition to these personal features he will be perfectly fluent in both French and English. All these things, considered, he should be in his forties, at least.

Choose your type of contract. The project is scheduled to be finished in the beginning of 1981. Our Construction Manager's job would therefore last for close to 36 months. However, if he wants to, we are prepared to appoint him permanently. Because we always need his kind of people. He may thus choose between either a permanent or a temporary appointment. We would also like him to get on the job as quickly as possible.

Interested in this unique position? Send your curriculum vitae and application to Universal Media, chaussée de La Hulpe 122, 1050 Brussels (Belgium), who will forward your letter unopened to our company provided you mention the ref. 1483 on the envelope. You can be assured of our total discretion.



## NYSE Nationwide Trading Closing Prices July 28

[illegible]

## Tokyo Exchange

July 28, 1978	
	Price
	Yen
Aashi Glass	317 Matsui E. Wks
Canon	450 Mitsubishi Hvy Ind.
Dai Nip. Print	538 Mitsubishi Corp.
Full Bank	N.Q. Matsui Co.
Full Photo	530 Mitsubishi
Hitech	543 Nissan Elec.
Honda Motor	872 Sharp
C. Itoh	235 Sony Corp.
Japan Air L.	2,650 Sumitomo Bank
Kasei Ind. Pwr.	1,200 Tachihara Marine
Kao Soap	670 Takeda
Kirin Brewery	478 Teijin
Komatsu	319 Tokyo Marine
Kubota	285 Toyota

## London Metals Market

(Figures in sterling per metric ton) (Silver in pence per troy ounce)				
July 28, 1978				
	Today Bid	Today Asked	Previous Bid	Previous Asked
Copper wire bars:				
Spot	723.00	724.00	722.00	722.00
3 months	724.00	744.50	724.00	744.00
Cermetes: spot	719.50	720.00	718.00	717.00
3 months	740.00	760.00	740.00	760.00
Tin: spot	6,550.00	6,570.00	6,490.00	6,490.00
3 months	6,420.00	6,440.00	6,400.00	6,400.00
Lead: spot	306.50	307.00	309.50	310.00
3 months	315.50	316.00	319.00	320.00
Zinc: spot	308.50	309.00	310.00	310.00
3 months	318.00	318.50	320.00	321.00
Silver: spot	291.80	292.10	284.70	284.70

## London Commodities

(Figures in sterling per metric ton)					
July 26, 1978					
	High	Low	Close (Last-Ac.)	Prev. (Close)	
SUGAR					
Aug	85.50	84.50	Exp.	Exp.	84.50
Sept	87.40	85.00	87.20	87.25	85.25
Oct	89.00	87.50	89.25	89.30	87.40
Nov	94.75	92.25	94.00	94.10	92.10
Dec	97.75	97.25	96.35	96.40	94.25
Jan	100.50	99.50	99.65	100.00	97.50
Feb	104.00	103.50	103.40	103.50	100.60
3,425 lots of 50 tons.					
COCOA					
Jul	1,760	1,740	1,760	1,766.5	1,729
Aug	1,770	1,740	1,770	1,775	1,740

**International**

## Stock Indexes

	Yest	Prev	1977
		High	Low
Amsterdam	92.30	92.25	92.00
Brussels	111.82	111.51	111.81
Frankfurt	156.58	156.49	157.17
London 30	492.19	488.80	493.20
London 500	244.27	242.21	244.27
Milan	62.73	62.77	64.23
Paris	115.17	113.68	115.17
Sydney	513.18	511.96	513.18
Tokyo (n)	422.33	421.04	425.81
Tokyo (o)	5,577.84	5,575.11	5,640.63
Zurich	310.10	310.20	342.80

(n) new      (o) old

7%	4%	FdPdr	20	4.2	20	1
21%	15	ForteC	1.20	5.7	7	3
57%	40	FordM	3.60	8.0	310	
22%	16%	FordMC	1.24	5.5	6	2

36	26%	FMK	p1.80	5.0	
15%		FIDcor	p1.50	9.0	
39%	27%	FIDlow	p.5%	2.611	11
34%	23	PosWh	1	3.1	8
16%	8	Fatamot	5.0	3.12	5
37%		Fosbro	1.10	3.12	15
11%	14	Froble	1.4	3.15	8
27%	17%	FroMin	1.60	5.817	64
16%	7%	Fright	1.0e	.717	5
32%	24	Frosh	2	4.7	5
12%	7%	Fusko	.40	3.7	16
14%	12%	Fusa	p1.25	9.5	
14%	9%	GAF	.48	4.8	26
19%	15	GAF	p1.120	6.534	71
37%	22%	GATX	1.80	6.534	71
14%	4%	GCA	.15	9.13	14
11%	4%	GDV		8.21	
7	5%	G Esp			

4%	4%		3%	2%	low
20%	20%	1/2	39%	25%	low
44%	45%	4%	18%	15%	low
23%	23%	1%	27%	20%	low

[illegible]

52	1.4	5	32	36½	36½	36½	
50	9.3	8	14	16½	16	16½ + ½	½
92	9.0	8	16	21¼	21	21¼ + ¼	¼

1.36	8.9	10	26%	26%	26%	1%
1.32	8.7	8	27%	28%	22%	1%
1.12	17.4	57	7%	7%	7%	1%
	26	143	29	28%	28%	1%
	13	42	27%	27%	27%	1%
1.44	19.9	42	14%	14%	14%	1%
	30	16.12	33	33%	33%	1%
0.08	5.5	7	18%	18%	18%	1%
	11	21	21%	21%	21%	1%
0.04	9.5	9	25%	25%	25%	1%
4	9.6	140	41%	41%	41%	1%
3.4	9.8	40	95%	95%	95%	1%
3.4	9.8	40	78%	78%	78%	1%
1.8	10.2	234	115%	115%	115%	1%
1.18	10.7	240	115%	115%	115%	1%
1.4	6.5	9	26%	26%	26%	1%
	5	15	4%	4%	4%	1%

### International Bonds Traded in Europe

[illegible]

1987	1,725	1,715	1,730	1,715	1,701	1,705
Jul	1,710	1,705	1,710	1,715	1,684	1,690
Aug	1,703	1,703	1,690	1,705	1,670	1,678

4.571 Interest on loans

OFFER		D-Mat	Interest Rates		D-Mat	Sterling	
in lots of 10 tons.							
U	1,280	1,345	1,277	1,280	1,255	1,270	Dollar
sp	1,270	1,310	1,255	1,257	1,340	1,245	1 AL 8 11/16 8 12/15
U	1,270	1,310	1,255	1,257	1,340	1,245	2 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	3 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	4 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	5 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	6 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	7 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	8 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	9 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	10 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	11 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	12 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	13 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	14 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	15 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	16 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	17 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	18 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	19 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	20 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	21 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	22 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	23 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	24 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	25 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	26 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	27 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	28 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	29 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	30 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	31 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	32 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	33 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	34 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	35 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	36 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	37 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	38 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	39 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	40 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	41 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	42 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	43 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	44 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	45 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	46 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	47 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	48 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	49 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	50 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	51 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	52 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	53 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	54 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	55 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	56 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	57 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	58 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	59 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	60 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	61 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	62 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	63 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	64 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	65 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	66 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	67 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	68 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	69 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	70 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	71 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	72 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	73 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	74 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	75 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	76 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	77 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	78 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	79 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	80 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	81 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	82 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	83 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	84 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	85 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	86 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	87 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	88 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	89 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	90 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	91 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	92 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	93 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	94 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	95 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	96 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	97 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	98 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	99 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	100 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	101 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	102 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	103 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	104 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	105 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	106 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	107 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	108 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	109 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	110 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	111 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	112 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	113 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	114 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	115 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	116 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	117 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	118 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	119 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	120 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	121 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	122 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	123 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	124 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	125 AL 8 23/32 8 5/16
U	1,270	1,310	1,255	1,257	1,340	1,245	126 AL 8 23/32 8 5/16
sp	1,270	1,310	1,255	1,257	1,340	1,245	127 AL 8 23/32 8 5/16

46%	34%	Gannett	1.40	2.9	17	91	u47 1/2	47	47 1/2 + 36	8	4%	John
17 1/2	8%	GapStr	.30	2.3	7	451	13 1/4	12%	13 1/2 - 76	34 1/2	21 1/2	John
22%	14 1/2	GardDn	.84	4.2	10	409	20%	19%	20 - 1 1/2	16 1/4	10%	John
24%	14%	GardDn	.84	4.2	10	409	20%	19%	20 - 1 1/2	16 1/4	10%	John

[illegible]

1	3.6	10	131	27%	7%	7½+	¼	14	3½	Myers	.40	3.0	12	38	13½	13½	13½+	¼
.60	3.9	10	69	15½	15½	15½	¾	59%	36%	NCR	1	1.7	10	608	59	58%	58%	¾

[illegible][illegible][illegible]

(Continued on Page 10)



## Schmidt Discloses Stimulus Program

BONN, July 28 (AP) — Chancellor Helmut Schmidt detailed today West Germany's contribution to stimulate the world economy and appealed to the six other members of the recent Bonn summit to execute their pledges with similar expediency.

Spending measures decided in four days of intensive cabinet consultations totaled 12.25 billion Deutsche marks, or slightly below 1 percent of the gross national product, Mr. Schmidt told a news conference. He said he was confident the measures would find a majority in the Bundestag (lower house of parliament) and that he will talk to state minister presidents (governors) to convince them of the necessity to pass the Bundestag (upper house).

He declined to give figures when asked what his program would do to the growth rate of the gross national product, but said he was confident it would lead to an increase. He said financing of the package would be achieved through a hike in the value added tax to 13 from 12 percent, effective July 1, 1979, and capital market borrowings.

He said the net financing requirement for the 1979 federal budget would total 35.8 billion DM compared with the 30.8 billion DM budgeted this year. He added that total public-financing requirements, including municipalities and states, would not exceed 60 billion DM, against the 54.6 billion DM forecast for this year.

### Family Bonus Increased

The cabinet proposed various measures that will effectively reduce the wage and income taxes paid by most families. Family bonuses paid by the state eliminate the wage tax paid by employers, all from Jan. 1, and increase the value added tax rate, from July 1, 1979, from its present 12 to 13 percent.

The Chancellor said the tax reductions represent a volume of 14.8 billion DM but that this will be reduced to 12.25 billion DM by the value added tax rate increase.

## BIS Study Rebuffs Critics On International Lending

By William Ellington

LONDON, July 28 (AP-DJ) — New statistics published today by the Bank for International Settlements (BIS) in Basel suggest that international bank lending has been conducted on a much sounder basis than some critics have alleged. But they also show that there could be a problem with loans to Eastern Europe.

The new data allows a comparison of what borrowers in a given country collectively owe to international banks with what the banks have on deposit with international banks as well as undrawn bank loans available to them. A crucial element in the data is a breakdown by maturity groupings, so that an analyst can spot a potential problem if a certain country has a lot of debt coming due within one year and yet little in the way of deposits and undrawn facilities to meet the debt.

Conversely, if the bulk of a country's debt falls due after two years, a low amount of deposits with international banks could merely represent a prudent asset and liability management.

The BIS cautions that bank loans and deposits constitute only one aspect of the financial position of any country. For example, holdings of marketable U.S. Treasury bills would not show up in the data. Nevertheless, the data provides a new insight into the creditworthiness of countries and geographical areas.

### Maturity Groupings

The data is based on reports from banks and their offshore affiliates in the Group of 10 industrial countries (the United States, Canada, Japan, Britain, France, West Germany, Italy, Holland, Belgium and Sweden) plus Switzerland, Austria, Denmark and Ireland. Loans from the reporting banks to countries outside the reporting area have been classified by amount and by maturity groupings. In addition, the BIS has listed undrawn loan commitments to the outside countries and it has also listed the deposits the outside countries have within the reporting area.

Altogether, the reporting area had total domestic currency and foreign currency loans to the outside area of about \$216.9 billion at the end of last year. Of these, about \$105.3 billion fell due this year and another \$24.1 billion due next year. A total of \$84.9 billion comes due after two years and another \$2.6 billion of loans were not classified according to maturity.

With at least 48.5 percent of the total outside area loans coming due this year, banks in industrial countries have a comfortably high degree of liquidity and flexibility. Moreover, the data also provides some assurance that non-industrial countries will be able to repay their loans on time as far as this year and next year are concerned.

For white scheduled outside area debt repayments this year come to \$105.3 billion, outside area deposits within the reporting group countries came to \$171.7 billion at the end of last December. In

The government said the abolition of the payroll tax would reduce the economy in 1980. The government also raised the minimum tax-free levels per company from 24,000 DM to 36,000 DM, which it said would release about 670 million DM into the system.

In the personal-tax area, the government announced that it will smooth out the sharp jumps in gradations in the income-tax structure for incomes in the range of 48,000 to 98,000 DM, effective Jan. 1. It also said it will increase the basic tax-free portions of income to 3,690 DM for single persons from 3,300 DM and to 4,380 DM from 6,600 DM for married couples.

The government said the net effect of the tax cuts, taking into account the higher VAT, would add 60 DM to disposable income at lowest single individual tax levels and up to 1,602 DM at top two-child family levels in 1979. In 1980, the boost to disposable income will range from 35 DM to 1,402 DM (due to effective VAT boost date). No estimate on income from the raised VAT was immediately available from the government but experts estimate the half year in 1979 could bring in 1.5 to 1.75 billion DM. In 1980, it could bring in an additional 6 to 7 billion DM.

In addition, the government plans:

- Spending for technology and development totaling 900 million DM in 1979 and 900 million DM in 1980.
- Social and family measures totaling 2 billion DM in 1979 and 3.7 billion in 1980.
- 1.7 billion DM in previously unplanned spending including funds for the railway system, technology and labor support.
- 100 million DM for a new program to aid Berlin with economic programs in both 1979 and 1980.

addition, undrawn facilities available to them totaled \$61.2 billion. The non-industrial countries had deposits and unused credit facilities totaling about \$232.9 billion with banks in the reporting area. This represented more than a two-to-one coverage of the \$105.3 billion coming due this year and also adequate coverage of the \$24.1 billion falling due next year.

Collectively, Eastern Europe appears to have financed itself short-term. At the end of December, that area's total debt to the reporting banks came to about \$36.6 billion. Of this, about \$19.2 billion, or 52.4 percent, falls due this year. However, Eastern Europe's deposits with reporting banks totaled \$8.3 billion and its undrawn credit facilities \$9.6 billion. Thus, if banks within the reporting area should decide not to renew part of the short-term debt, there could be a repayment problem.

In particular, Bulgaria, Hungary and East Germany seemed to be financing themselves on a precarious basis. Bulgaria, for instance, had debt coming due this year of \$1.64 billion and deposits and undrawn facilities with the reporting banks of \$496 million and \$509 million, respectively.

With \$2.86 billion of debt coming due this year, East Germany had only \$895 million of deposits with the reporting area and undrawn facilities of \$942 million. Hungary's debt maturing this year comes to \$3 billion, but its deposits with the reporting banks totaled only \$1.08 billion and its undrawn facilities \$240 million.

The Soviet Union appeared to be in reasonably good shape even though \$6.47 billion, or 55.2 percent of its total bank debt to the reporting area of \$11.74 billion, matures this year. Aside from deposits with the reporting area of \$4.43 billion, the Soviet Union had drawing facilities available of \$4.15 billion.

Few bankers would consider Eastern Europe's high proportion of short-term debt as alarming in itself as long as East-West trade continues smoothly. Moreover, the financial position of Eastern Europe has changed since the end of December, perhaps for the better. Morgan Guaranty Trust's statistics show that the bloc raised about \$1.88 billion of medium-term Euro-currency loans in the first six months.

But in comparison with other areas, Eastern Europe's finances do not look so good. For example, African had total bank debt of \$12.5 billion outstanding at the end of December, of which only \$4.75 billion, or 38 percent, is due this year. African deposits with the industrial countries totaled \$9.87 billion and its undrawn facilities came to \$5.4 billion.

## Broker Sees Rally Ending Soon

NEW YORK, July 28 (AP-DJ) — The current rally on Wall Street is giving some cause to analysts who saw the April-June comeback as the start of a solid bull-market advance, but portfolio strategists at Merrill Lynch are urging their large institutional clients to keep their powder dry for a while longer.

In their latest review, they say they expect the market to tumble later this year. They estimate the possible downside risk at 20 percent. "We have currently entered what appears to be a secondary rally fueled by investors' hopes regarding revisions in the capital-gains tax and potential oil finds in the Baltimore Canyon," they say.

"Our basic position remains one of caution. We would continue to maintain the cash position of portfolios at the 25-percent level. During the third and fourth quarters, bonds and cash alternatives are likely to outperform equities, especially on a risk-adjusted basis," they added.

At the same time, the strategists believe that the market decline they are expecting will mark the end of the long-term bear market, which they consider as being in force for the past decade, and that stocks will be the investment vehicle of choice in 1979.

The strategy work is linked to Merrill Lynch's forecast that a recession is likely early in 1979. It says that, in addition to rising interest rates and inflation, expected downward revisions in corporate earnings will contribute to the market decline expected as 1978 progresses.

### 'Major Deterioration'

"Even now, with rising expectations for the probability of recession, the consensus forecast for profits in 1979 remains favorable," it says. "The time is rapidly approaching when, assuming our recession

forecast is correct, consensus 1979 earnings estimates will show major deterioration." The report expects stock prices to react unfavorably to a marking down of expectations and believes the secondary stocks sector, where earnings are more volatile, will be among the casualties.

When the deceleration of business activity gets under way, Merrill Lynch notes, the favorable points being made about the longer-term outlook for stocks will be obscured in "a blanket of fear."

"We expect that to be a time of falling stock prices, declining estimates of earnings, anticipation of poor 1979 auto sales, disappointing gains in real personal income, inventory-accumulation problems, rising unemployment and projections of bigger federal deficits," it adds.

At this point, it continues, the case for equities will look invalid to money managers and they will probably accelerate their moves into bonds. The report is advising portfolio managers to be ready to buy into expected market weakness late in the third quarter and early in the fourth. Current portfolio mix of 25 percent cash, 40 percent stocks and 35 percent bonds should be 70 percent stocks and 30 percent bonds by year's end, it says.

In terms of portfolio preferences, Merrill strategists would avoid most cyclical industries and companies sensitive to their demand patterns and are emphasizing such industries as drugs, soaps, soft drinks, publishing, tobacco, food, retail drugs and cosmetics. Most recent reductions of emphasis have been made in entertainment stocks "because of excess speculation in the group," home-furnishings stocks, and lead, zinc and copper stocks. "We've also lowered our weightings for aerospace and conglomerate shares on the basis of their valuations and sensitivity to the capital-goods cycle," they say.

### Rebound With Surge of Economic Activity

## U.S. Profits Speed Up in 2nd Quarter

NEW YORK, July 28 (AP-DJ) — U.S. corporate profits speeded up in the second quarter as business rebounded from the severe winter and the coal strike. On a year-to-year basis, according to a Wall Street Journal survey of 524 major companies, second quarter after-tax profits showed a 10.1-percent rise, compared with a 3.4-percent gain the first quarter.

Airlines, steel and building supplies chalked up especially large advances. William Cox, the Commerce Department's deputy chief economist, attributes the overall gain to "a healthy growth rate in the period plus a good deal of inflation." He says the surge of economic activity during the quarter brought greater use of capacity, which contributed to the profit increase. He also notes that businesses had more inventory profits this year than last, "which reflects the more rapid pace of inflation."

The second quarter was the 11th in a row in which a year-to-year earnings gain has been recorded. But on a quarter-to-quarter, seasonally adjusted basis, the progress has been much bumpy: profits have fallen in three of the last seven quarters. Economists regard the quarter-to-quarter comparison, which is calculated later by the Commerce Department, as a more meaningful indicator of the health of the economy.

Because of expected slower growth, Mr. Cox predicts a "fairly marginal" year-to-year earnings increase in the third quarter. Economists, in fact, look for little strength in profits for the next several quarters.

"We could have a moderate increase in profits in the current quarter, but then we're likely to be on a plateau through next year," says Robert Ortner, senior vice president of Bank of New York. That forecast is based on his assumption that the economy will slow sharply later this year but will not slip into a recession.

Merrill Lynch Economics also foresees flat profits for the rest of this year. But it expects a mild recession in early 1979 and, with it, a significant drop in profits. "As is usually the case during the latter stages of economic expansion," says the Merrill Lynch unit, "the combination of decelerating production, generous wage-contract concessions, and expanding payrolls serves to hike unit labor costs and squeeze profit margins."

Among the factors behind industry performance were: A sharp spring upturn in sales allowed automakers to meet or exceed goals. General Motors had record profits of \$1.06 billion, up from \$1.097 billion in the year-ago period, and Ford a record \$539.8 million, up from \$530.4 million. Interim increases, aimed at recovering costs more quickly, have resulted in a number of increases on selected models since the first of the year — including a \$90 hike on GM's Chevrolet announced today — and in one round of general increases averaging roughly \$100 a car in early May. The profit outlook for Detroit in the third quarter is mixed — always a low-profit pe-

riod because of retooling close-downs for new-model output. And this year the timing and extent of such close-downs varies widely both from company to company and in comparison with last year's closings.

In the steel industry, the anticipated rebound in profits showed surprising strength. U.S. Steel reported 54-percent higher earnings after a first-quarter loss. Profits rose 26 percent at National Steel and 41 percent at Republic Steel-makers and "Wall Street analysts suggest that any impending economic slowdown will not hurt steel very much in the third quarter. They say the earnings impact of the normal summer demand slump may be less evident than usual as higher prices are supported by a long-awaited pickup in shipments of the heavier steel products and as cheap imports are further reduced by the government's "trigger price" mechanism.

Oil earnings were mixed, but a growing number of companies are benefiting from new oil and gas production in areas such as Alaska and North Sea. This includes industry giant Exxon, which reported a 22-percent increase in profits. Companies with poorer results cited a variety of problems ranging from higher exploration costs to lower residual-fuel earnings. For the third quarter, analysts predict generally improved profits as earnings from increased production in new areas mount.

Bank earnings surged thanks to rising loan demand and declining losses from loans that had to be written off. Analysts generally expect earnings to press upward for the rest of the year as the growing economy spurs increased loan demand.

Despite strong revenues, railroad gains were spotty as companies spent more to move record freight volumes. Analysts predict an 11-percent rise in annual revenues, but yearly earnings are expected to be flat because of increased costs. Railroads are spending more to repair plant and equipment, and labor appears to be in for a 10-percent wage and cost-of-living increase this year under terms of a contract nearing completion.

Many of the nation's airlines, strengthened by increased traffic through discount fares, are reporting record results. The carriers generally agree that strong traffic throughout the third quarter.

A stronger-than-anticipated level of housing starts and continued strength in nonresidential construction, resulted in strong gains for most building-materials manufacturers. In the second half, demand for building materials in the residential market is expected to remain strong because of a high rate of housing completions. But the outlook for demand in the nonresidential market is less clear.

Earnings for nonferrous mining companies varied according to each company's dependence on the depressed copper and zinc markets. Still, due to modest copper and zinc price increases, nearly all the companies showed improvement over the first quarter. Zinc produc-

ers also benefited from a relatively strong lead market; the two metals customarily are mined together. Third-quarter results are expected to surpass last year's, when strikes shut down most copper operations and when copper and zinc prices fell sharply.

Results were mixed as the chemical industry continued to suffer from excess capacity. "Nothing spectacular is going to happen in the third quarter because we still have a cost-price squeeze," says Warren Anderson, president of Union Carbide. For a few chemicals, lead-gasoline additives, for example, prices have been forced down as companies battle over market share.

Record net income for the four major aluminum companies was tied to strong demand and increased prices on fabricated products. Demand for aluminum in the third quarter is expected to be stronger than in the year-earlier period, when customers worked down excess inventory. Price increases of the first six months should more than cover expected cost increases in the third quarter.

## Other Company Reports

Revenue, Profits in Millions

Canada

First Half 1978 1977  
Revenue..... 320.60 286.90  
Per Share..... 2.03 1.96

Consolidated Bathurst

2nd Quarter 1978 1977  
Revenue..... 258.40 216.10  
Profits..... 13.20 6.40  
Per Share..... 1.75 0.82

6 months 1978 1977  
Revenue..... 492.00 406.70  
Profits..... 18.40 6.80  
Per Share..... 2.41 0.83

MacMillan Bloedel

2nd Quarter 1978 1977  
Revenue..... 500.60 457.93  
Profits..... 24.20 16.40  
Per Share..... 1.08 0.73

6 months 1978 1977  
Revenue..... 959.10 826.60  
Profits..... 41.10 24.60  
Per Share..... 1.81 1.12

(Figures in Canadian Dollars)

Japan

6 months April 28 1978 1977  
Revenue..... 154,806 142,966  
Profits..... 9,112 9,019  
(Figures in Yen)

Nippon Electric

Year March 31 1978 1977  
Revenue..... 698,560 625,120  
Profits..... 7,260 7,740  
Per Share..... 9.03 9.67

Nissan Motor

Year March 31 1978 1977  
Revenue..... 2,59 trillion 2,59 trillion  
Profits..... 95.31 billion 95.31 billion  
Per Share..... 73.72 73.72  
(No comparisons as company reporting consolidated results for first time)  
(Figures in Yen)

Johnson & Johnson

2nd Quarter 1978 1977  
Revenue..... 896.55 739.45  
Profits..... 80.26 66.62  
Per Share..... 2.66 2.20

6 months 1978 1977  
Revenue..... 1,732 1,457  
Profits..... 157.74 128.30  
Per Share..... 4.34 3.62

National Can

2nd Quarter 1978 1977  
Revenue..... 264.10 233.90  
Profits..... 10.78 8.27  
Per Share..... 1.24 0.95

6 months 1978 1977  
Revenue..... 457.40 417.50  
Profits..... 14.65 10.98  
Per Share..... 1.67 1.24

## Prices Extend Gains In Wall St. Trading

NEW YORK, July 28 (Reuters) — Prices on the New York Stock Exchange extended their gain to a fourth session in fairly active trading today as strength continued in glamour and blue chips.

Analysts said the market continued to gain from improving U.S. trade figures, an encouraging report on money-supply growth and hopes that interest rates may stabilize.

They said the \$2.8 billion drop in the money supply eased fears of further monetary tightening. They also added that the market was prepared for the disappointing news that June consumer prices continued the 10.8-percent annual rate of rise of May.

However, they noted that the market reacted favorably to the last two sessions to the narrowing of the June trade deficit. This was reinforced today by the Commerce Department's report that the second-quarter balance of payments deficit narrowed to a seasonally adjusted \$7.96 billion from \$11.2 billion in the first quarter.

The Dow Jones industrial average rose 5.72 points to 856.29 and advanced led declines 950 to 538. Volume fell to 33.39 million shares from yesterday's 33.97 million.

Strength in glamour and blue chips was highlighted by International Business Machines, which advanced 2 1/4 to a new high for the year of 278 1/4. Du Pont gained 1 1/4 to 118 1/4. Honeywell 1/4 to 66 1/4, Exxon 1/4 to 46 1/4. Texas Instruments 1/4 to 87 1/4, Xerox 1/4 to 56 1/4.

Coastal States Gas climbed 2 1/2 to 19 1/4. The Texas Railroad Commission approved a plan to spin off two coastal pipeline units and set up a multi-million dollar trust fund to satisfy customer complaints.

National Airlines gained 1 1/4 to 26 1/4 before trading was halted. Texas International Airlines said it asked for Civil Aeronautics Board approval to acquire control of National.

American Air Filter was a stand-out, bouncing 1 1/4 to 32 1/4. It agreed to be acquired by Allis-Chalmers at a price of \$34 a share. Allis-Chalmers slipped 1/4 to 34 1/4.

Despite the record price for gold in London, gold shares were mixed. Rosario Resources picked up 1/4 to 21 1/4 and Homestake Mining 1/4 to 38 1/4, but Dome Mines lost 1/4 to 83 1/4. ASA Ltd. 1/4 to 26 1/4 and Campbell Redlake 1/4 to 37 1/4.

Prices on the American Stock Exchange also rose in moderate trading, with the index rising 0.57 to 154.15.

In Chicago, wheat and corn were mixed, oats irregularly higher and

soybeans substantially higher at the close today on the Board of Trade.

Wheat was up 1/4 to off 2 1/4 cents; corn off 1/4 to up 1/4; oats up 3/4 to 1 1/4 and soybeans up 4 1/4 to 6 1/4 cents. Higher silver prices and declining strength in the dollar triggered some support in the grains.

## Dollar Posts 2 New Lows

LONDON, July 28 (AP-DJ) — The dollar fell to record lows against the yen and Swiss franc in hectic foreign-exchange trading today.

Probably the most important element was a self-fulfilling statement by Swiss National Bank president Fritz Leutwiler that he believes a further rise of the Swiss franc against the dollar is inevitable because U.S. inflation is expected to continue to rise more rapidly than in Switzerland.

The fight against inflation in Switzerland will have priority over massive central bank intervention in support of the dollar, he said in a television interview. Switzerland has the distinction of having the world's lowest inflation rate at 1.1 percent over the past 12 months.

The Swiss franc responded to his prediction by racing up to new highs against the dollar, Deutsche mark and most other major currencies.

The dollar struck a record trading low of 1.7470 Swiss francs, down 4.58 centimes from yesterday and below its previous record low of 1.7600 francs set March 1. It slightly recovered by the end of trading in Europe, finishing at 1.7500 francs, down 2.4 cent from yesterday.

The yen posted a new postwar high against the dollar for the fifth consecutive session with the dollar slumping to 189.70 yen in intraday trading, down 2.4 yen from its previous ebb. It finished at 190.25 yen, for a loss of 3.45 yen, 1.8 percent, on the day. During the past week, the dollar has depreciated 5.3 percent against the yen and so far this year it has lost 20.6 percent.

The dollar fell to an intraday low against the mark of 2.0390 DM before ending at 2.0413 DM compared with 2.0559 yesterday. The dollar, however, did not touch its record low of 1.9875 DM set March 1. The dollar fell to 4.3835 French francs versus 4.4158 francs overnight and to 2.2073 guilders from 2.2225. It also lost ground against the Belgian franc and the lira.

Sterling, meanwhile, rose 2 cents to \$1.9273.

## U.S. Company Reports

Revenue, Profits in Millions of Dollars

Aetna Life & Casualty

2nd Quarter 1978 1977  
Revenue..... 140.30 107.70  
Profits..... 2.60 2.00  
Per Share..... 1.35 1.09

6 months 1978 1977  
Revenue..... 244.40 189.20  
Profits..... 4.52 3.51  
Per Share..... 2.32 1.88

Chrysler

2nd Quarter 1978 1977  
Revenue..... 5,000 4,500  
Profits..... 30.50 103.80  
Per Share..... 0.51 1.72

6 months 1978 1977  
Revenue..... 9,100 8,500  
Profits..... 89.30 179.20  
Per Share..... 2.97 5.97

Ford Motor

2nd Quarter 1978 1977  
Revenue..... 11,895 9,710  
Profits..... 539.80 530.40  
Per Share..... 4.55 4.49

6 months 1978 1977  
Revenue..... 21,864 18,924  
Profits..... 1,006 1,013  
Per Share..... 8.48 8.59

Johnson & Johnson

2nd Quarter 1978 1977  
Revenue..... 896.55 739.45  
Profits..... 80.26 66.62  
Per Share..... 2.66 2.20

6 months 1978 1977  
Revenue..... 1,732 1,457  
Profits..... 157.74 128.30  
Per Share..... 4.34 3.62

National Can

2nd Quarter 1978 1977  
Revenue..... 264.10 233.90  
Profits..... 10.78 8.27  
Per Share..... 1.24 0.95

6 months 1978 1977  
Revenue..... 457.40 417.50  
Profits..... 14.65 10.98  
Per Share..... 1.67 1.24

## U.S. Prices Up 0.9% in Last Month

WASHINGTON, July 28 (AP) — U.S. consumer prices rose 0.9 percent for the third month in a row in June, as the average worker continued to lose ground to inflation, the Labor Department said today.

A White House spokesman called the increase "extremely disappointing." Deputy press secretary Rex Granum said that it is "reasonable to expect moderation in food prices later this year."

William Miller said the figures show "a very disturbing increase in the cost-of-living." He said there should be some relief in future months in food prices, but he did not change his earlier prediction that inflation for upcoming months will run in the 7-percent range.

The cost of food, housing and automobiles led the increase, which has continued steadily since the start of the year. Consumer prices would rise 11.4 percent if the trend of the past three months continued for a full year, the department noted. The administration predicts price increases will not be as large in the next six months and is banking on a downturn in food costs.

Real spendable earnings — the amount left after allowances for inflation and taxes — declined 0.4 percent in June, the second drop in a row. The worker made 0.5 percent more in hourly wages, just over half the increase in prices.

Food prices jumped sharply by 1.3 percent, and beef prices continued to spiral by 5.6 percent. "Beef prices this June were 30.7 percent higher than in October 1977, when the current uptrend began," the department said.

Consumer prices last month were 7.4 percent higher than in June 1977. The department said the consumer price index stood at 19



# NYSE Nationwide Trading Closing Prices July 28

12 Month Stock	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%

## TENDER NOTICE

### NOTICE FOR INTERNATIONAL TENDERS

## INTERCONNECTION TUNISIA - ALGERIA

Within the frame of the Interconnection project Tunisia-Algeria, the Societe Tunisienne de l'Electricite et du Gaz (STEG) is in the process of launching two international tenders—one for the stations and the other for the lines, in view of placing an order for the studies, transportation, supplying, construction and putting into operation of the following works:

- 39 km of 225 KV lines - Metlaoui - Jebel El Onk (Metlaoui-Frontier Section).
- 25 km of 225 KV lines - Tazerouine-El Aquinet (Tazerouine-Frontier Section).
- Equipment of a 225 KV bay parting from El Aquinet - "Ring Bus" type - to the 225 KV station of Tazerouine.
- Equipment of a 150 KV bay parting from Jebel El Onk to the 150/30 kv station of Metlaoui.

The putting into operation of these works will be carried out as follows:

- Metlaoui - Jebel El Onk line: February 1, 1980.
- Tazerouine - El Aquinet line: June 1, 1980.

Construction enterprises desiring to submit their offers may withdraw the tender files at the head office of

STEG (Equipment Division),

38, Rue Kemal Ataturk - Tunis (Tunisia)

or request to have them mailed against payment of 100 (one hundred) Tunisian Dinars or the equivalent in foreign currency beginning July 26, 1978.

The deadline for submitting tender files is set for August 10, 1978.

### EMPRESA NACIONAL DE ELECTRICIDAD S.A.

COCHABAMBA - BOLIVIA

CORANI RESERVOIR ENLARGEMENT PROJECT

PUBLIC TENDER 59P-E 2275

### PREQUALIFICATION DOCUMENTS FOR CONSTRUCTION OF CIVIL WORKS

- The Empresa Nacional de Electricidad S.A. is carrying out the Corani Reservoir Enlargement Project consisting of:
- The raising of the Corani dam and spillway by approximately 5 meters.
- The construction of a by-pass tunnel approximately length 2 kms excavated cross section 7 square meters, between the Corani Reservoir and the Rio Vinto Valley. The tunnel will be lined where required.
- The construction of approximately 13 kms of tunnels, excavated cross section 7 square meters, between the Rio Malaga Valley and the Corani Reservoir. The tunnels will be lined where required.
- The construction of approximately 10 kms of asphalt paved highway adjacent to the Corani Reservoir.

Construction companies having previous experience in the construction of works of similar nature and magnitude are invited to request prequalification documents for:

Construction de Obras Civiles del Proyecto de Ampliacion

The previously described work will be financed through a loan from the Interamerican Development Bank, accordingly this tender is subject to the eligibility requirements and policies of the IDB in accordance with the respective financing agreement. Construction companies that are established in countries that are members of the Interamerican Development Bank may participate in this tender.

Prequalification documents for tender 59P-E 2275 may be obtained from the Empresa Nacional de Electricidad S.A., Avenida Las Heroínas 4574, Casilla 545, Cochabamba-Bolivia, on payment of 50 Bolivian Pesos per copy, commencing July 26, 1978. These interested parties tender documents may request any additional information from the project coordinating office of the Empresa Nacional de Electricidad S.A. in Cochabamba.

Preliminary information concerning the project may be obtained also from Mr. J. Tasker or Mr. L. B. Winnicki, Montreal Engineering Co. Ltd., Montreal, Canada. Their respective telephone numbers are 514-284-3020 and 514-284-3660.

The period available for the presentation of prequalification documents terminates at 17:00 hours on September 6, 1978 in the offices of ENDE in Cochabamba.

The Empresa Nacional de Electricidad reserves the right to prequalify any company in accordance with its own criteria.

Cochabamba, July 1978.

## SOLICITATION OF INTERNATIONAL TENDERS

### NOTICE FOR OPENING BIDS

The Societe Tunisienne de l'Electricite et du Gaz (STEG) launched a call for international tenders on May 25, 1978, for the realization of the following equipment program:

- Construction of 300 km. of high-voltage lines;
- Reinforcement of 11 existing stations;
- Creation of 3 new stations (medium and high voltage).

Enterprises consulted and interested by this International Tender Notice will be informed that the opening of bids will take place on August 2, 1978—in public—at 10:30 a.m., Building A, at the headquarters of the Societe SIS, 38, Rue Kemal Ataturk, Tunis.

This may be regarded as a Convening Notice for all interested contractors who may submit their offers no later than August 2, 1978, 10 a.m., at the latest.

## Toronto Stocks

Closing Prices July 28, 1978

12 Month Stock	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%

## Montreal Stocks

Closing Prices July 28, 1978

12 Month Stock	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%

## Friday's New Highs and Lows

12 Month Stock	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%

## U.S. Worm Prices

Crawling Upward

DETROIT, July 28 (AP) - Inflation has hit the worm market, and prices are crawling upward at a pace that has U.S. fishermen complaining.

A dozen of the fat brown worms called night crawlers sold for years in the Detroit area for 70 cents.

## Selected Over-the-Counter

Closing Prices, July 28, 1978

12 Month Stock	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%

12 Month Stock	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.	High	Low	Div. in 5 Yrs.	Yld. P/E	100s.
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%
11% 1/2 N. York	10.1	9.3	20	11%	10%	11	11	20	11%	10%	11	11	20	11%	10%



1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

[illegible]











